UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/48/420
12 October 1993

ORIGINAL: ENGLISH

Forty-eighth session
Agenda item 125

JOINT INSPECTION UNIT

Accountability and oversight in the United Nations Secretariat

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Accountability and oversight in the United Nations Secretariat" (JIU/REP/93/5).

ANNEX

ACCOUNTABILITY AND OVERSIGHT IN THE UNITED NATIONS SECRETARIAT

Prepared by

Andrzej Abramowski
Richard Hennes
Kabemo Martohadinegoro
Khalil Othmani

Joint Inspection Unit

Geneva
1993

/...

JIU/REP/93/5
September 1993

ACCOUNTABILITY AND OVERSIGHT IN THE UNITED NATIONS SECRETARIAT

Prepared by
Andrzej Abraszewski
Richard Hennes
Kahono Martohadinegoro
Khalil Othman

TABLE OF CONTENTS

		Paragraphs	Pages
	Acronyms		iii
	EXECUTIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS		iv
I.	INTRODUCTION	1 - 11	1
II.	MAIN OVERSIGHT UNITS	12 - 25	3
	A. Internal Audit Division	13 - 15	3
	B. Central Evaluation Unit	16 - 19	3
	C. Central Monitoring Unit	20 - 22	4
	D. Management Advisory Service....	23 - 25	4
III.	WEAKNESSES OF THE MAIN OVERSIGHT UNITS	26 - 68	5
	A. Internal Audit Division	30 - 34	5
	B. Central Evaluation Unit	35 - 40	6
	C. Central Monitoring Unit	41 - 49	8
	D. Management Advisory Service....	50 - 56	9
	E. Common Problems	57 - 68	10
IV.	WEAKNESSES OF OTHER ACCOUNTABILITY AND OVERSIGHT PROCESSES	69 - 138	13
	A. Inspection	70 - 73	13
	B. Investigations.....	74 - 79	13
	C. Staff involvement	80 - 86	15
	D. Applied information technology	87 - 94	16
	E. Financial management control systems	95 - 99	17
	F. Management training	100 - 105	18
	G. Management improvement efforts	106 -109	19
	H. External management consultants	110 - 114	20
	I. Other assessment reports	115 - 119	20
	J. Organizational restructuring...	120 - 125	21
	K. Programme planning and budgeting	126 - 132	22
	L. Personal accountability	133 - 138	23

/...

		Paragraphs	Pages
V.	SUMMARY ASSESSMENT OF THE PRESENT ACCOUNTABILITY AND OVERSIGHT SITUATION.....	139 - 152	25
VI.	ADVANTAGES OF A SINGLE, CONSOLIDATED OVERSIGHT UNIT	153 - 164	28
VII.	A UNITED NATIONS OFFICE OF ACCOUNTABILITY AND OVERSIGHT: RANGE OF OPTIONS.....	165 - 176	31
VIII.	POSTSCRIPT	177 - 181	34

Notes

ACRONYMS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AMS	Administrative Management Service (predecessor of MAS)
CCAQ	Consultative Committee on Administrative Questions
CEU	Central Evaluation Unit
CMU	Central Monitoring Unit
CPC	Committee for Programme and Co-ordination
DAM	Department of Administration and Management
ECOSOC	Economic and Social Council
IAD	Internal Audit Division
ICSC	International Civil Service Commission
IMIS	Integrated Management Information System
INTOSAI	International Organization of Supreme Audit Institutions
JIU	Joint Inspection Unit
MAS	Management Advisory Service
OHRM	Office of Human Resources Management
OPPB&F	Office of Programmme Planning, Budget and Finance
UNOG	United Nations Office at Geneva

EXECUTIVE SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Inspectors have examined in considerable detail accountability and oversight in the United Nations Secretariat, as an initial step in a broader study of these subjects in the United Nations system. They have assessed the capacity of the main internal oversight units (Internal Audit Division, Central Evaluation Unit, Central Monitoring Unit, Management Advisory Service) to carry out their functions. They found the resources and support available to these units to be seriously deficient, and found significant weaknesses as well in other accountability and oversight processes.

Encouraged by the present Secretary-General's commitment to reform and good management, Inspectors have made proposals for improving the situation.

Thus, they have proposed the creation of an Office of Accountability and Oversight to audit, inspect, investigate and evaluate all United Nations personnel, programmes and activities for which the Secretary-General bears administrative responsibilty.

They have suggested that the leadership of this Office, its reporting responsibilities, its staffing, its funding and its relationship to external oversight bodies be determined by alternative sets of options or by a combination of elements of each.

Under the first option, the Head of the Office of Accountability and Oversight would be appointed at the Assistant Secretary-General level by the Secretary-General in consultation with Member States, possibly with the advice of the ACABQ and CPC. The Office would report at least annually to the General Assembly through the Secretary-General. It would be staffed at the level of the existing Secretariat units, be funded through normal United Nations budget processes, and be subject to United Nations Staff Rules and Regulations.

Under the second option, the Head would be selected at the Under Secretary-General level by the Secretary-General from a short list of candidates prepared by the International Organization of Supreme Audit Institutions. The Office would report at least annually directly to the General Assembly. It would be staffed by the Head of the Office without restriction except the limits of the Office's budgetary authority and would become within two years an oversight service separate from the United Nations Secretariat. The Office would be funded from the United Nations budget and the relevant extrabudgetary funds by allocation of a fixed percentage (at least one per cent) of the financial resources available to the activities for which the Office has oversight responsibilities. Voluntary contributions of funds and expert personnel will be encouraged.

During the final phase of this report's preparation, Inspectors learned with pleasure of the Secretary-General's initiative in appointing an Assistant Secretary-General to head an independent Office for Inspections and Investigations which incorporates the

existing main oversight units. They were encouraged by the high professional and personal qualities of the Secretary-General's appointee and had an opportunity to discuss with him his early thoughts on the characteristics and challenges of his new post. They believed that given adequate financial and staffing support, he could contribute greatly to reducing the serious deficiencies in present oversight, accountability, internal control and management improvement processes.

However, Inspectors were concerned lest Member States and Secretariat managers, in a commendable zeal for economy, try to establish accountability and oversight controls "on the cheap." In the view of Inspectors, this course of action would be a highly expensive and wasteful option. Rather, adequate funding and staffing should produce substantial gains in efficiency and effectiveness which would far exceed the small budget percentage necessary to support oversight and accountability processes properly.

RECOMMENDATION 1: The General Assembly should support the recent initiative of the Secretary-General in appointing a highly-qualified professional auditor with a thorough knowledge of the United Nations to the newly-created post of Assistant Secretary-General for Inspections and Investigations, and should evidence this support by making available to the new Assistant Secretary-General financial and human resources which are quantitatively and qualitatively adequate to the full dimensions of his task.

RECOMMENDATION 2: The Secretary-General and the General Assembly, in considering the establishment of "a higher level post with broader audit, evaluation and investigation authority" to be proposed to the General Assembly at its forty-ninth session should:

(a) Carefully assess the many long-standing problems of the former oversight units and other Secretariat accountability, management improvement, and internal control processes (as discussed in Chapters III and IV and summarized in Chapter V of this report), to ensure that the new oversight authority will provide the most effective possible mixture of oversight functions and capabilities.

(b) Seek to institutionalize the advantages set forth in Chapter VI of this report that a single, consolidated internal oversight unit would offer in the areas of accountability, independence, flexibility, transparency, professionalism, improved compliance, economies of scale and, above all, managerial improvements, and further, to

(c) Take into account the parameters set forth in Chapter VII of this report in defining the new entity's mandate, reporting responsibilities, staffing, funding and relationship with external oversight mechanisms.

I. INTRODUCTION

1. The Joint Inspection Unit (JIU) has included in its current work programme a report on accountability and oversight in the organizations of the United Nations system. Because of the scope and complexity of the subject and delays in responding to JIU questionnaires, completion of this study is not expected before the first half of 1994.

2. However, in late 1992 and early 1993 the Secretary-General was requested by the General Assembly:

- -- "to review the operation and effectiveness of each of the specialized administrative and budgetary support units of the Secretariat" and report with his recommendations to the forty-eighth session of the General Assembly[1/],
- -- to also report to the forty-eighth session on establishing a system of responsibility and accountability of programme managers [2/], and
- -- to take actions and make proposals to decisively strengthen oversight, controls, and management in both the financial [3/] and personnel areas [4/].

3. Accordingly, Inspectors decided in June 1993 to prepare an interim report on the internal accountability and oversight processes of the United Nations Secretariat, in order to provide an independent perspective to assist Delegations of Member States in their consideration of this important subject.

4. In late August 1993, when the Inspectors were discussing the draft of this report with United Nations officials in New York, none of the above Secretariat reports had yet been issued. However, on 24 August the Secretary-General announced the appointment of an Assistant Secretary-General, effective 1 September, to head an independent Office for Inspections and Investigations which incorporates the existing main oversight units. This is recognized as only the first step toward establishment of a higher-level post with broader oversight authority, which is to be proposed for approval to the General Assembly at its forty-ninth session in 1994[5/].

5. The just-established Office is indeed a significant step toward the improvements advocated by the Inspectors in this report. To ensure more effective oversight, however, the Secretary-General and Member States need to address all of the serious deficiencies in present oversight, accountability, internal control, and management improvement processes, and to identify the key factors required to construct an effective mandate for the new Office. Forceful but considered action is essential now to ensure that this Office will become an important part of a strong, transparent, and dynamic Secretariat management system for the future.

6. Accordingly, Inspectors have considered in a postscript (Chapter VIII) certain problems and opportunities presented by the new Office for Inspections and Investigations. Previous chapters provide an overview of the strengths and weaknesses of the resources available to the new Assistant Secretary-General. Thus, Chapter II describes the main oversight units of the United Nations Secretariat as of mid-1993: the Internal Audit Division (IAD), the Central Evaluation Unit (CEU), the Central Monitoring Unit (CMU) and the Management Advisory Service (MAS). In Chapter III, Inspectors summarize briefly the individual and common weaknesses of these four units. Chapter IV describes specific deficiencies in various other accountability and oversight processes. Chapter V summarizes the accountability and oversight situation as of August 1993, and in Chapter VI Inspectors list the advantages of a single, consolidated oversight unit. Chapter VII discusses a range of options for implementing this consolidated concept.

7. By focusing on internal accountability and oversight mechanisms, Inspectors realize that they have addressed only one, albeit major, aspect of the oversight problem. They recognize the lack of

consideration to the question: "Who oversees the overseers?" The ultimate external oversight responsibility belongs of course to the "peoples of the United Nations" as represented by Delegations of Member States. The immediate responsibility for external oversight has been delegated to the General Assembly's Advisory Committee for Administrative and Budgetary Questions (ACABQ), the Committee for Programme and Co-ordination (CPC) of the Economic and Social Council (ECOSOC), the United Nations Board of Auditors and the JIU.

8. Inasmuch as the mandates of the ACABQ, CPC and JIU are to a greater or lesser extent system-wide, their roles in external oversight and those of the external auditors in the agencies of the system will be examined in the Unit's forthcoming larger study. Inspectors' findings and recommendations will thus coincide in time with submission of materials on this subject by the Secretary-General as requested for the forty-ninth session of the General Assembly.

9. In its essence, accountability signifies responsibility to someone for one's actions. Effective accountability in the United Nations should mean the responsibility of international civil servants for their actions under the administration of the Secretary-General (Article 97 of the Charter) and the regulatory (Article 101) and budgetary (Article 17) controls of the General Assembly. In this report as well as in the larger study Inspectors construed this responsibility as larger than traditional compliance and process accountability to include managerial accountability (e.g. wise use of public resources) and programme accountability (e.g. measurement of outputs) [5/].

10. Although Inspectors find current internal accountability and oversight mechanisms in the United Nations to be seriously deficient, they cannot associate themselves with the somewhat sanctimonious and non-specific denunciations of United Nations practices as being somehow atypical of conditions in individual Member States. Inspectors are not aware of any Member State in which accountability of public servants and the operation of oversight bodies function perfectly and it is naïve to expect a United Nations of 184 Members to function more effectively than the most effective of its Members.

11. That having been said, however, there is much that can be done to improve accountability and oversight in the United Nations and Inspectors hope their efforts will contribute to that end. They reviewed the many past JIU reports on Secretariat management systems and problems, recent governing body and other documentation on accountability and oversight, and sent questionnaires and follow-up questions to, and held discussions with, the cognizant Secretariat officials and units. Inspectors are grateful to knowledgeable officials and individuals from Member States and to the many helpful international civil servants who have contributed useful information and invaluable opinion to this study.

II. MAIN OVERSIGHT UNITS

12. The United Nations Secretariat has, until September 1993, had four main, separate, oversight units, as identified in General Assembly decision 47/454. From 1 September, the four units are incorporated into the new Office for Inspections and Investigations. The four units are described in this Chapter and then analyzed in Chapter III.

A. Internal Audit Division

13. The IAD was located within the Department of Administration and Management in New York (DAM). For administrative purposes it reported directly to the head of DAM, the Under-Secretary-General for Administration and Management. IAD itself is headed by a Director (D-2), and has a total of 46 professional and above posts, of which 26 were funded from the regular budget and 20 from extrabudgetary funds. Twenty-nine of the posts are located at New York headquarters, 11 in two units in Geneva, and 6 in Nairobi. The 1992-1993 programme budget for IAD was US$ 10,258,000, which included US$ 420,000 for travel (plus an extra US$ 50,000 for travel for peacekeeping audits).

14. The stated functions and responsibilities of IAD are to conduct independent audits in conformity with generally accepted auditing standards. IAD work encompasses financial and administrative as well as substantive and programme aspects of the activities audited. It audits all United Nations activities worldwide for which the Secretary-General has administrative authority, both those funded by the regular budget and those financed from extrabudgetary funds [7].

15. IAD issues about 260 audit communications a year. They have been sent to the officials responsible, with monthly summaries to the Secretary-General and senior DAM officials. IAD does no external reporting. During 1992-1993 IAD was scheduled to prepare about 80 audits of assets and liabilities, 220 audits of income and expenditures, 100 audits of management and programmes, and more than a dozen computer systems audits. IAD developed its first comprehensive Audit Manual in 1990.

B. Central Evaluation Unit

16. The CEU was located within DAM, and reported administratively to the Director, Programme Planning and Budget Division, who reports to the Controller, who heads the Office of Programme Planning, Budget, and Finance (OPPB&F), and who reports in turn to the Under-Secretary-General, DAM. The CEU has 6 professional and above staff, headed by a Director (D-1). They are all located in New York. The 1992-1993 budget for the CEU was $1,505,600, which included only $22,700 for travel and .4 consultant years.

17. In addition, there are some 24 professional posts related to evaluation in various units scattered throughout the Secretariat worldwide, but they have not been included in this report's analysis because most of them are used only partially for evaluation [8]. Many of these units, however, have been in existence for far longer than the CEU: their activities were reported on in the 1985, and even the 1981, JIU reports on the status of evaluation in the United Nations system [9].

18. The stated functions and responsibilities of the CEU are to develop and implement a United Nations evaluation system, formulate overall evaluation policies and procedures, participate in in-depth evaluation studies, establish guidelines and support self-evaluations by programme managers (including training), and assist the Programme Planning and Budgeting Board to utilize evaluation data [10].

19. The CEU prepares about one in-depth evaluation report each year, which is sent to programme managers for action, as well as to CPC and the General Assembly, along with methodological and

triennial follow-up reporting on these evaluations. It also reports to the General Assembly every two years on strengthening of the evaluation role and applying evaluation findings. An Evaluation Manual was issued in 1986, and was to be revised during 1993 [11].

C. Central Monitoring Unit

20. The CMU was located within DAM in New York. Like the CEU, it reported administratively to the Director, Programme Planning and Budget Division, who reports to the Director, OPPB&F, who reports to the Under-Secretary-General, DAM. The CMU has four professional and above staff, headed by a Director (D-1), and is located in New York. The CMU budget for 1992-1993, part of a larger unit, amounted to roughly $1 million, and did not include any travel or consultant funds.

21. The stated functions and responsibilities of the CMU are to monitor changes during the biennium in programmes of work in the programme budget, assist in reviewing proposed changes, and determine final output delivery versus the commitments made in the programme budget [12].

22. The primary tasks of the CMU are preparing the Secretary-General's biennial report on programme performance and monitoring six-monthly progress reports by departments on implementation of their work programmes. About three-quarters of CMU professional staff time is devoted to this function, with the remainder spent on various programme planning tasks and servicing to committees. IAD is now charged with determining whether activities reported as implemented by programme managers have actually been delivered.

D. Management Advisory Service

23. The MAS, like the three other units, was located within DAM. In recent years, it had been combined with various other units, but in early 1993 it was transferred out of OPPB&F to report administratively directly to the Under-Secretary-General of DAM. MAS has a total professional and above staff of 6, headed by a Director (D-1). It is located in New York. The 1992-1993 MAS budget was $1,505,600, of which only $37,000 was for travel and only $10,000 for consultants.

24. The terms of reference for MAS were established in 1977 for its predecessor service, the Administrative Management Service (AMS). They state that AMS/MAS is the internal management consulting staff in the Secretariat. As such, it is responsible to identify, review and report on management problems or areas requiring improvement: make management surveys and assist and advise in management improvement efforts, as requested: sponsor productivity studies; monitor approved recommendations: and assist budget officials as necessary. It also is responsible for maintaining the Organization Manual, administrative issuances, and standard managerial information forms [13].

25. Each year, the MAS professional staff perform about 10-15 management improvement and productivity studies, organizational structure reviews, and follow-up studies at headquarters and other duty stations. They also provide as many as 120 cases of ad hoc management advice and assistance to programme managers yearly. In addition, senior General Service staff of MAS handle forms control (some 300 a year) and process administrative issuances (about 150 a year), and MAS also provides about 10 Organizational Manual revisions yearly. Although it reported to governing bodies on a regular basis in the past, such reporting by MAS stopped several years ago.

III. WEAKNESSES OF THE MAIN OVERSIGHT UNITS

26. At the fortieth session of the General Assembly in 1985 Member State representatives in the Fifth Committee made very sharp criticisms of the inadequacies of monitoring, evaluation and reporting on implementation of United Nations programmes [14]. Although the United Nations had, at least in theory, installed an integrated planning and review system several years before, the Secretariat agreed with the committee members' conclusions. The Under-Secretary-General for Administration and Management stated that:

> "Member States...have stressed the need to be told, more clearly and more extensively...what has been the programmatic performance of the Secretariat, which outputs have been delivered, and with which result... Let us strengthen the monitoring and evaluation functions...Let us say clearly and dispassionately what has been done and with which result, and equally what has not been done and why...Let us produce more analytical performance reports...I find the essential problem one of better and more transparent information, thus permitting better decisions" [15].

27. Subsequently, the JIU made its own in-depth study of the monitoring, evaluation, and management review components involved in reporting on the performance and results of United Nations programmes. JIU found that performance information and effective review of programmes have been persistent concerns in governing body discussions, General Assembly and other resolutions, and reports of the Secretary-General and outside experts for forty years. In the early 1950s, great emphasis was placed on staffing and budgetary analysis. In the 1960s there were calls for integrated management systems and increased management and financial reviews, which were finally developed in the mid-1970s. Efforts to firmly establish these various systems culminated in regulations and rules for an integrated programme planning and review system in the early 1980s [16].

28. The Fifth Committee discussion cited above, however, heralds increasing dissatistaction since 1985 with the adequacy of United Nations review and oversight processes. In this Chapter, the Inspectors summarize briefly the key developments and problems of recent years in the four main oversight units. In the next Chapter, they summarize briefly problems and issues in other, related oversight, accountability, internal control, and management improvement areas and processes.

29. Two of the four main Secretariat oversight units have existed for decades, while the other two have been evolving for more than 15 years. Each of these units has done some useful work. But there has been mounting concern from the General Assembly, JIU and other external review units, and the Secretariat itself that these efforts fall far short of what is needed, provide very little independent review and impact, and have not been directed toward top priority review needs. As a result, each of the four units has recently been, or is currently, in a crisis stage which extends to a questioning of its basic functions and quality.

A. Internal Audit Division

30. Despite its 45 years of experience and adaptation, IAD capacities have not kept up with the greatly expanded expenditures, field operations, new technologies, and worldwide scope of United Nations operations of the past decade. A consultant's study in 1985, requested by the General Assembly, confirmed that the limited resources of IAD were not able to provide effective audit coverage of internal controls, especially away from headquarters. The consultants recommended that staff skills should be enhanced and that professional staff posts should be increased from 33 to 55. Subsequently, the Secretary-General requested only two new professional posts in a "first phase" of strengthening [17].

31. Meanwhile, the "Group of 18" high-level experts raised a second basic issue. They recommended that internal audit should be separated administratively and be independent from implementation and disbursement of funds, and that IAD should no longer be a part of DAM, but become an independent unit. This is in accord with inter-agency and international standards, discussed in later sections of this report. The Secretary-General did not accept this recommendation, asserting that IAD was independent within DAM and through the objectivity of its work, and that the auditors were able to carry out their work freely and with full, free and unrestricted access to all activities, records, property and personnel [18].

32. In 1990, a JIU report found major problems with the transparency of presentation, management of, and reporting on the use of the greatly-increased United Nations extrabudgetary resources. JIU stressed the need for much stronger audit coverage of extrabudgetary activities, and disagreed with the Secretary-General's above-stated position: it also recommended separating the IAD from DAM and making it directly responsible to the Secretary-General [19]. The Secretary-General never provided comments to the General Assembly on this JIU report.

33. IAD officials informed JIU that the Division has made progress in shifting toward more operational audits, expanding coverage outside New York, establishing its first comprehensive audit manual in 1990, and computerizing audit information, including the status of audit recommendations made. Yet the Division still has severe staffing problems. United Nations programmes have increased enormously over the past decade, but IAD professional posts have scarcely increased, from 38 to 46 posts (including extrabudgetary posts). Furthermore, about one-fourth of the posts are entry-level (P-2/P-1). The United Nations Board of Auditors therefore reported to the General Assembly in 1992 that IAD is presently staffed well below the expected level of performance and number of auditors needed to provide adequate audit coverage [20].

34. Accordingly, in December 1992 the General Assembly not only urged the Board of Auditors to considerably expand its own audit coverage, but also encouraged the Secretary-General to "take urgent steps" to strengthen both the independence and effectiveness of internal audit, and responses to internal audit findings [21].

B. Central Evaluation Unit

35. Both CPC and the ACABQ had criticized performance reporting efforts of the early 1970s, and in 1975 and in 1978 the Secretariat acknowledged that there was "no systematic evaluation" to determine whether a programme was being effectively managed and its resources used efficiently. Impatient with the lack of progress, the CPC, JIU, ECOSOC, and the General Assembly all called for more decisive action, and a small unit was established in 1980 to begin developing an internal evaluation system [22].

36. However, the 1981 JIU system-wide status reports on evaluation found that the United Nations had fallen behind other organizations [23], and the General Assembly called for "full integration" of evaluation into programme planning [24]. The Secretary-General made several institutional adjustments, but his 1983 report to the Assembly showed that little progress had been made, and that the few scattered evaluation units in the Secretariat could not carry out even minimal evaluation tasks without being strengthened [25]. The CPC criticized the lack of responsiveness of this report, and the General Assembly "deplored the failure to implement" its 1981 resolution [26].

37. In 1985 the Secretary-General, at the behest of governing bodies and several expert groups, established the CEU and in 1986 it produced a long-awaited Evaluation Manual. Yet JIU's 1988 report (and subsequent experience) indicate that serious inadequacies still remain:

(a) In-depth evaluations have been performed for years for CPC, and they have often been well-prepared. However, the reaction to these reports by various relevant bodies in the complex network of United Nations intergovernmental and expert committees has varied considerably. As a result, few of the reports have received full consideration, and less than half the recommendations made have led to meaningful subsequent action[27]. In addition, at the pace of one report per year, it would take more than four decades to evaluate each United Nations programme (or parts of programmes, as some of the evaluations do) even once.

(b) A self-evaluation system is being gradually established in the Secretariat, overseen by the CEU. But the system is rather vague and permissive as to its coverage and frequency. There is intended to be only one self-evaluation every six years for each programme. Progress in extending coverage beyond the initial testing stage has been slow, the quality of self-evaluations has varied considerably, and the CEU acknowledges problems with programme managers who do not take the process seriously. Since the system is viewed as being primarily for managers' own use, it also provides only minimal and very generalized information to governing bodies on its functioning, and scarcely any information for programme decision-making. These problems are compounded because programmes to train managers in self-evaluation have also been minimal (only about 30 people trained per year over the past seven years). The Secretary-General's 1992 report also noted that there are problems in applying evaluation findings to programmes, and that programme managers cite lack of resources as a key factor hampering their efforts to conduct serious evaluations[28].

(c) Closely related to these problems is staffing of the CEU. The present staff is not at all adequate to conduct both a solid programme of in-depth evaluations and support and oversight functions for a large-scale self-evaluation and reporting system. JIU's third system-wide status report on evaluation in 1985 observed that even if the CEU were to have only the modest average level of staffing found in other United Nations system organizations, it should have about 15 professional staff posts rather than the four it possessed. The number of posts has since risen to six, but this is still clearly insufficient [29]. The Secretary-General's 1992 report cited the repeated concerns with the need to strengthen evaluation, going as far back as General Assembly resolution 36/228 B of December 1981. But the 1992 report stated only, as had past reports, that the Secretary-General would make some proposals in the future to, very belatedly, strengthen the evaluation function [30].

38. The 1988 JIU report on performance reporting urged that summary evaluative reporting be added to the programme performance reporting in order to provide governing bodies with substantive information on programme implementation and quality. But the Secretary-General's follow-up report, requested by the General Assembly, argued that the internal evaluation system was too underdeveloped to support the revised performance reporting system that JIU suggested [31].

39. In 1991 the General Assembly requested the CPC and ACABQ to reconsider this JIU report[32]. CPC noted the high quality of the report and expressed agreement with its diagnosis of the imperfections in reporting on United Nations performance and results achieved. It expressed concern at the lack of improvement over the years in analytical performance reporting, and agreed that the evaluation function needed to be strengthened through a "change of culture" within the Secretariat, as well as through recourse to independent external evaluation[33].

40. At the 1992 substantive session of ECOSOC, the Chairman of CPC reported that the Committee had again concluded that, though important, evaluation was still a "somewhat sickly child" of United Nations management. In his own address to the ECOSOC, the United Nations Controller agreed that evaluation of programmes was not satisfactory. He said that this was not just an attitude or documentation problem: proper evaluation techniques did not exist, and a greater intellectual effort to evaluate programmes was needed [34]. Subsequently, however, the General Assembly only gave general endorsement to CPC's conclusions and recommendations and called for improvement of the methodology for self-evaluation [35]. The current state of internal evaluation in the United Nations therefore rests on this quite downbeat and defeatist note.

C. Central Monitoring Unit

41. The monitoring function has evolved largely in parallel with internal evaluation, but in a more rigid way and with a much more consistent pattern of dissatisfaction. Governing bodies had long called for reports on programme progress made and results obtained. When a 1978 JIU report proposed systematic monitoring and evaluation of programme performance [36], the process was endorsed by CPC and ACABQ and approved by the General Assembly.

42. Unfortunately, the first biennial report in 1980 provided only a very narrow "output counting" format. The Secretariat explained that because most programme budget narratives were imprecise and inadequate, performance could not be analyzed as promised. CPC has continued over the years to press for more analytical reports, but the Secretariat, arguing the need to maintain comparability from biennium to biennium, became more and more firmly locked into the output tables format.

43. A CMU was established to implement and oversee this system, and the Secretariat promised in 1984 that the CMU would not only expand and refine the system but develop procedures for an independent central check of output production and for consultations on significant departures from programmed commitments [37].

44. The 1988 JIU report on performance reporting, however, found that the biennial programme performance reports provided only a very mechanistic tabulation of thousands of "outputs" produced. The reports were little used, incomplete, issued at the wrong time, contributed little to governing body programme decisions, and contained almost no analysis. JIU recommended that the new self-evaluation process be combined with the programme performance reports as a critically needed step to finally integrate monitoring and evaluation as working tools for top management and governing bodies, as called for by the regulations and rules approved in 1982, and as urged by the Fifth Committee and promised by the Secretariat in 1985 [38].

45. The General Assembly , in response,emphasized that "future programme performance and evaluation reports should assist Member States in measuring results against objectives", and requested the Secretary-General to respond to JIU's recommendations. The Secretary-General's 1989 report, however, not only argued that the evaluation system was too weak to support revised performance reporting, but advocated maintaining the output/counting format as the "only overview" available [39]. When the General Assembly subsequently called only for further improvements in output counting methodology, the Secretariat asserted that it had "no mandate" to pursue JIU's proposal for substantive performance reporting [40].

46. In 1990, however, after reviewing the next programme performance report, the ACABQ joined the battle. It noted that the report was only quantitative, incomplete in coverage, did not attempt an assessment of output quality and relevance, and mixed different output types. It also noted the Secretary-General's argument that such problems were intrinsic, and could only be overcome through changes in the conception of monitoring and indeed of the entire planning and programming system.

The ACABQ therefore questioned the usefulness of the programme performance report to Member States, and stated its belief that it should be suspended pending resolution of the methodological differences [41].

47. In response, the Secretary-General reported in 1991 that a single standardized programme performance reporting format was no longer workable. Although he proposed no fundamental changes, he stated that four formats would be used in future reports, and that an analysis of reasons for output changes would be added. The report emphasized that the question of the quality of United Nations outputs and services relative to objectives would continue to be excluded from such monitoring of implementation [42].

48. In 1992 the CPC considered the programme performance report for 1990-1991, in conjunction with reconsideration of the 1988 JIU report. Some delegations found that the Secretariat report remained inadequate, of little use, and non-analytical: others commended its clarity and noted some improvements made. The Committee called for more analysis of implementation and resource use in future, noted the limited value of output counting, and agreed that effective monitoring was dependent on solid and specific programme budgets. It also stressed the importance of strengthening individual accountability throughout United Nations programmes [43].

49. The programme monitoring process thus grinds along in the same cumbersome quantitative format established over a decade ago, because related programming systems apparently will not permit better information (the same excuse given in 1980, see above), and in spite of considerable doubt from many Member States about the value of the exercise. The shift of the CMU to a true monitoring role of analysis and investigation of departures from commitments, problems, and patterns of implementation has never occurred: the task of verifying outputs delivered has been given to an already-overloaded IAD. The present laborious output compilation process not only consumes considerable staff resources to compile outputs in the CMU and Secretariat-wide, but seems far removed from the objectives of analytical reporting on programme progress and results obtained which the General Assembly originally sought.

D. Management Advisory Service

50. The Administrative Management Service (AMS) conducted extensive management and manpower utilization studies in the Secretariat in the early 1970s. In 1976, however, the Fifth Committee expressed concern that the full potential of AMS was not being used, that it lacked the necessary independence, and that its recommendations were being ignored.

51. The General Assembly concluded in 1976 that it was "essential" to have an effective and continuing management improvement programme. It called on the Secretary-General to strengthen the role and functions of AMS by:

- -- allowing it to identify, review and report on management problems;
- -- providing his maximum support for the Service and prompt implementation of its recommendations;
- -- ensuring high-quality staffing of the Service; and
- -- reporting annually to ACABQ on AMS work as well as providing a complete list of all AMS recommendations made and subsequent actions taken on them [44].

52. The Unit thereafter carried out about 15 management reviews and special studies each year, and reported to ACABQ biennially on the results obtained. In 1985 AMS staff was reduced as part of a merger, and renamed the Management Advisory Service (MAS) as part of a DAM reorganization, but it was not given new terms of reference. In 1986, however, the "Group of 18" experts, while stressing the need for increased efficiency in the large administrative operations of the Secretariat, bluntly

concluded that the MAS was "of marginal usefulness" and recommended that it be abolished. The Secretary-General disagreed and retained the MAS, arguing that the unit was performing "particularly important functions" [45].

53. Following several more organizational reshufflings of the MAS unit, JIU prepared a report on MAS in 1991. This report followed up on a 1981 JIU report which had found that management service units throughout the United Nations system, including AMS/MAS, were being given disappointingly low priority as focal points for systematically pursuing management improvement [46].

54. The 1991 JIU report [47] concluded that the MAS had not been allowed to function as intended by the General Assembly. During its organizational reshuffling, it had lost not only staff but also its lead role in management improvement and its independence and dynamism. JIU argued that the continuous management improvement functions intended for AMS were too important to allow such an erosion of the Service. It stated that MAS could be particularly useful in streamlining Secretariat processes, workload analysis, helping eliminate waste and duplication, and ensuring efficient use of staff resources.

55. The JIU recommended a series of specific steps to strengthen MAS, including additional staff, reactivated consultations with ACABQ on its work programme, and re-establishment of an analytical, biennial report to the General Assembly on MAS work. The Secretary-General, however, felt that further study was needed before adding staff to MAS and raising the level of the DAM official (the Controller) to whom it reports. He suggested that the General Assembly defer consideration of the report until its forty-seventh session in 1992, when he would present his own views [48]. However, this did not occur.

56. The Inspectors continue with their long-held view that the low priority given to sustained management improvement efforts, as shown by the continuing weakness of MAS, severely hampers effective management of the United Nations Secretariat and fulfilment of the goals established by General Assembly resolution 31/94, and needs urgently to be changed.

E. Common problems

57. These four main oversight units have certain fundamental problems in common. The severe understaffing of IAD and the CEU have already been noted, and MAS staffing falls short of past levels. But even when combined, the four Secretariat units, with only 62 total professional and above staff posts (46 in IAD, 6 in the CEU, 4 in the CMU, and 6 in MAS) are also quite understaffed in comparison to similar organizations, as shown by some recent numerical calculations.

58. A 1993 analysis by United Nations system internal auditors [49] found that they had quite low audit staffing when compared to an auditor job market survey carried out in 1992 in the United States. While United States Federal government organizations had an average auditor to total staff ratio of 1:125, the comparable United States financial/banking ratio was 1:162, while that for United Nations system agencies was only 1:264. Even worse, the ratio for the United Nations Secretariat was only 1:346, scarcely one-third that of the United States government level (and these other organizations may also have larger evaluation and management service units than does the United Nations). Further, the United Nations Secretariat brought up the rear in several comparisons within the United Nations system:

	average United Nations system agency	United Nations Secretariat
auditors/budget $$	1: $43 million	1: $66 million
audit $$/budget $$	0.28 percent	0.17 percent
auditors/total staff	1: 264	1: 346

59. A 1993 book presented an excellent review of key factors to determine the effectiveness of oversight activities, including coverage ratios. It noted considerable variance in coverage ratios among United States Federal agencies, but stressed the need to guarantee an absolute minimum level of professionally-skilled people[50/]. The United States organization most similar to the United Nations Secretariat is the United States Agency for International Development, with its some 10,000 staff and operational programmes worldwide, primarily in developing countries. This agency has approximately one oversight staff member for each $30 million of outlays. Other knowledgeable officials suggested that about one percent of total budgetary outlays should be allocated for oversight.

60. These ratios suggest that the approximately 90 total oversight staff (professional and general service) assigned to the new Office for Inspections and Investigations will be quite inadequate. The first ratio, one staff member for each $30 million of expenditure, indicates that the total oversight staff should be about 217 staff instead of 90 (based on a rough estimate by Secretariat officials, due to considerable fluctuations in operational costs, of about $6.5 billion of United Nations total expenditures to be incurred in 1993). The second ratio, allocating one percent of total budgetary outlays for oversight, indicates an annual budget of about $65 million for the new Office, which is more than nine times the combined annual budgets of the four former central oversight units, and implies about 800 rather than the present 90 total staff.

61. Some of these funds should be spent to upgrade posts (to provide fully experienced professionals rather than entry-level people, as is too often the case at present), and to provide sufficient travel funds to review operational programmes on-site around the world (also lacking at present). Nevertheless, these ratios indicate that the United Nations Secretariat presently only has about one-half to one-eighth of the staff that it needs to provide sound and effective oversight of its programmes.

62. A second essential factor is not just people but fully qualified and competent people. The JIU requested data on professional staff in the four oversight units which showed that almost half the staff had advanced university and professional degrees, primarily in management, accounting and auditing, and public administration. A considerable number also had significant private sector auditing and consulting experience, and/or years of oversight unit experience in the Secretariat. However, about a third had degrees only in non-management fields such as international relations or sociology, and little or no management analysis experience before joining the oversight units. The new Office needs time to sort out the precise mix of skills and experience it will need, but the Inspectors think that in the future more emphasis must be given to selecting and maintaining a full roster of highly-skilled, well-trained, and highly-productive professional oversight staff.

63. A third factor is the independence which is critical to effective oversight work. Although DAM argued that the four former oversight units were free to carry out their work without interference, it is clear that all the staff involved in these small, lower-level units were at a clear disadvantage when they came into conflict with senior staff in operating departments or in DAM, and that they also depended on higher-level DAM officials for their future assignments, promotions, and career development.

64. A committee of United Nations system internal auditors formed to define internal auditing roles in 1977 concluded that modern internal auditing is "an independent appraisal activity", should "report directly to the Executive Head" to "fully exercise its independence", and must have "full and unrestricted access", freedom of action, adequate resources, and "acceptance and support by the Executive Head"[51/].

65. The International Organization of Supreme Audit Institutions (INTOSAI), which has more than 150 member countries as well as consultative status with ECOSOC, provides worldwide leadership in the field of government auditing. The 1977 "Lima Declaration" of auditing guidelines of INTOSAI states

that audit institutions and officials can be objective and effective "only if they are independent of the audited entity and are protected against outside influence". Internal audit services are necessarily subordinate to the agency head, but "nevertheless shall be as functionally and organizationally independent as is possible within the respective organizational structure" [52]. INTOSAI auditing standards, revised by its Auditing Standards Committee in 1992, also present independence as the first, and a "vital", general auditing standard [53].

66. An oversight unit must not only be independent, but must also be seen to be independent by others in order to have the necessary credibility. The Inspectors believe that the small, understaffed, low-level units inside DAM did not have this independence or credibility. The General Assembly also appears to have reached the same conclusion. In late 1992 it encouraged the Secretary-General and the executive heads of United Nations organizations and programmes "to take urgent steps to strengthen the independence...of the internal audit function". The Assembly further endorsed the efforts of the Board of Auditors "to ensure that common auditing standards for the United Nations system are consistent with those of recognized international auditing bodies" [54]. The establishment of the new Office for Inspections and Investigations in September 1993, combining the four units and reporting directly to the Secretary-General, should help greatly to overcome this fundamental oversight problem in the Secretariat.

67. A fourth and final point concerns serious gaps in worldwide coverage of the main oversight units. The CEU, CMU and AMS are centralized units in New York with very small travel budgets. The burden for on-site coverage of other headquarters and field programmes falls on IAD, but with its severe understaffing its work plans show that it has still not been able to catch up with the tremendously rapid expansion of United Nations operational programmes that has occurred. Most oversight activity is still concentrated on headquarters activities and in the economic and social sectors, not on the vast resources and priorities now being devoted to peacekeeping, humanitarian, and other large-scale and complex field programmes.

68. There are also large gaps in coverage at various United Nations locations. Oversight and management improvement staffs have scarcely been established at the five regional commissions, despite the urging of JIU and other bodies [55]. And the United Nations Office at Geneva (UNOG) illustrates an actual downward trend. A 1977 AMS study urged a strong management services and systems development function with several staff in Geneva. JIU found in 1985, however, that only one staff member was assigned to systematically improve operations for the 3,300 staff and $600 million of annual expenditures of United Nations units in Geneva [56]. JIU recommended urgent action to strengthen these services, but in 1989 the Secretariat converted the single management services post into a general administrative post to assist the Director of Administration of UNOG. Other than a new unit established in UNHCR in late 1992, there is thus no management improvement function at present for the very extensive and diverse Geneva programmes.

IV. WEAKNESSES OF OTHER ACCOUNTABILITY AND OVERSIGHT PROCESSES

69. The four main oversight units discussed in Chapters II and III are essential elements of accountability and oversight, but far from the only ones. An organization must also have other oversight functions, as well as effective management improvement efforts, individual accountability processes, basic operational controls, and supporting systems and units. The following sections indicate that the Secretariat has achieved only partial systems, or conceptual discussions, or rather relaxed and inadequate processes in these areas. Most important, the areas cited here are only a patchwork of activities. They do not add up at all to the comprehensive, integrated accountability and oversight system, and major changes in management culture, which the United Nations Secretariat very much needs.

A. Inspection

70. Inspection is a process of independent, on-site reviews of units to identify and solve operational problems. An inspection compares a unit's work to established policy goals, work programmes, applicable rules and regulations, and the resources allocated to it. An inspection may reveal significant problems and inefficiencies in staffing tables, job descriptions, work and information flows, bottlenecks and backlogs, outputs and services provided, and the quality and responsiveness of management decision-making.

71. The "Group of 18" experts emphasized strongly in 1985 that the complexity, top heavy nature and fragmentation of the Secretariat resulted in duplication of work, reduced productivity, and failure to maximize the use of available resources. It called for streamlining to achieve a Secretariat with an increased capacity and ability to deliver high-quality services [57].

72. There have been many re-organizations and re-shuffles of Secretariat organizational units since 1986, particularly in New York. However, this process seems to have occurred primarily at a broad structural, conceptual and policy level, without the detailed operational analyses of individual units which a regular process of independent inspections would provide. AMS/MAS made a considerable number of inspection-type reviews in the distant past, and IAD has attempted to develop its "value for money" audit work. But both groups are very small, and the partial efforts that they can devote to inspection work fall far short of what is needed.

73. The relative laxity and very limited coverage of present accountability processes is referred to throughout this report. Some senior Secretariat officers have told the Inspectors that they have gone through their entire careers in headquarters and the field without ever encountering a Secretariat oversight representative. The Inspectors therefore feel that inspection is a key additional area, along with investigations, which must be strengthened in addition to the four main oversight functions discussed in the preceding Chapter. Active and systematic on-site inspections are essential to ensure that all programme managers are applying management controls to streamline their activities, carefully analyzing workloads, eliminating any waste and duplication, and maximizing the expensive (and increasingly scarce) staff resources entrusted to them.

B. Investigations

74. Waste, fraud, abuse and corruption are found in every country and every large organization around the world. This is confirmed not only by a look at almost any day's international media reports, but by an increasing volume of national and international documentation on the causes and ways of combating these ills [58]. The United Nations itself has devoted attention at international crime prevention conferences during the past decade to corrosive abuses of power by public officials, and recently issued a manual of practical anti-corruption measures to counter official corruption and intimidation [59]. Corrective actions are essential, since such problems can undermine the operations of an organization, demoralize its staff, and severely damage its credibility (as the General Assembly noted in its resolution 47/211 [60]).

75. The United Nations is not exempt from these waste, fraud, abuse and corruption problems, and at present it is not well equipped to deal with them. IAD officials informed the inspectors that they fully examine and report to "the management concerned" on such cases when they encounter them. However, they also observed that investigations of complaints of violations are neither centralized nor organized. The outgoing head of DAM reported to the Secretary-General in March 1993 that the chronically fragmented and inadequate oversight bodies were almost totally unable to deal effectively with fraud, waste and abuse cases, and that often ad hoc investigative teams could not be assembled before the trail had grown cold. He observed, as have the Inspectors, that the process is also neither professional nor regularized.

76. The only firm overall data on such investigations presently come from the personal grievances and managerial disciplinary actions appealed to the Office of Human Resources Management (OHRM) under the administration of justice programme (see next section). Their data show a very disturbing recent increase in the proportion of mismanagement and fraud cases as field operations have rapidly expanded worldwide:

	1990	1991	1992	First half of 1993
Total new cases referred	28	30	40	70
subtotal: mismanagement/fraud	15	17	13	45
leading to: dismissal of staff	2	4	4	1
appropriate action	8	10	4	3
lack of evidence	4	2	5	29
other	1	1	1	13

77. Other available data are only partial. The biennial reports of the Board of Auditors include some information on fraud and presumptive fraud, as reported by the Secretariat. These reports did reflect significant fraud problems with education grant payments and income tax reimbursements found by one-time, 100 percent audits made by IAD in the mid-1980s. But the remaining data involved only about six cases per year averaging about $10,000 each. Since the reports cover only the 1986-1991 period, they also do not reflect fraud problems as a result of the recent enormous expansion of operational activities[61/]. Meanwhile, partial IAD statistics on recovery against fraud, which is the responsibility of the programme managers concerned, show serious problems. Between 1988 and mid-1993, the internal auditors recommended $3,500,000 for recovery, but only $85,000, a mere 2 percent of the total, had actually been recovered.

78. The General Assembly has been preoccupied with these matters in its recent resolutions on financial reports. Most recently, it expressed its concern about deficiencies and inappropriate or fraudulent use of resources reported by the Board of Auditors, and other alleged such cases. In December 1992 it requested the Secretary-General to make proposals for legal and effective mechanisms to obtain recovery of misappropriated funds, and to seek criminal prosecution of those who have committed fraud against the organization [62/].

79. The Inspectors feel that this area, like inspection, needs urgent and systematic oversight. Rather than ad hoc teams of programme managers on emergency detail, the Secretariat needs to establish an investigations unit staffed with full-time people who have professional legal, accounting, and investigation backgrounds. And rather than trying to clean up waste, fraud, abuse and corruption cases as they are found, the Secretariat needs to make special studies and vulnerability assessments which identify those programmes or operations most at hazard, and then take preventive action before severe damage to the organization occurs.

C. Staff involvement

80. One of the most important ways to combat waste, fraud, abuse and corruption is through the vigilance and co-operation of those most knowledgeable about programme operations. Staff and other people involved in United Nations programmes (especially in the field) can play a very important role by reporting possible violations through "hotlines" maintained by independent oversight units. This process requires rigorous confidentiality and protection of the rights of the people under investigation, and of the "whistleblowers" who submit the allegations from immediate or subsequent reprisals.

81. The United Nations Secretariat has long had an "administration of justice" system for staff grievances, appeals and disciplinary procedures. In recent years there have been a number of reports seeking to improve this system (including one by the JIU) [63], since there is much dissatisfaction with its operation. In 1987 the Under-Secretary for Administration and Management stated that "something had gone very wrong" with the internal justice system, which, if it did not properly defend against mounting feelings of arbitrariness and discrimination, could undermine staff morale and "finally destroy an international organization however high its ideals and purposes" [64]. The system is very ponderous and complex, painfully slow in settling cases, and quite expensive in the staff resources, emotions, and time that it consumes. Moreover, it does not provide independence, since it is controlled in all aspects by DAM.

82. In April 1993 the General Assembly could only "regret" that yet another report that it had requested on this topic in 1990 from the Secretary-General had not been submitted. It stressed the importance of a "just, transparent, simple, impartial and efficient system of internal justice" and requested the Secretary-General to make a comprehensive review, including costs of the system, to submit to the Assembly no later than its forty-ninth session in 1994 [65].

83. A much more independent process for encouraging staff involvement in grievance and fraud and waste investigations is the "ombudsman," an institution found in many countries and organizations around the world [66], and in other United Nations system organizations (as will be discussed in the forthcoming JIU system-wide report on accountability and oversight). The General Assembly (and the JIU) requested the Secretary-General on several occasions to consider establishing an ombudsman office. However, despite some interest, reports, and proposals, the idea was never implemented [67], and the issue now appears to be dormant.

84. The General Assembly, however, has persisted with this important theme of greater staff involvement. In 1990, it requested the Secretary-General to consider, in consultation with the Board of Auditors and ACABQ, and report on "effective measures to facilitate reporting by staff members on a confidential basis" of any improper resource use [68]. In 1991, it strengthened this request to focus on the "implementation of effective measures" to facilitate confidential reporting [69]. However, the Secretary-General's report concluded that existing control regulations and communication channels to the Controller are adequate, that confidential reporting systems cause problems of their own, and that the Secretariat will keep the issue under "active review" [70].

85. The General Assembly "took note" of this report, and the "hotline" concept now appears, like the idea of an ombudsman, to be dormant. The Inspectors are disturbed, however, at a central message in the Secretary-General's report, namely that protecting staff who report abuses from retaliation is too difficult (para. 11 of the report). They agree with the Under-Secretary General's 1987 statement cited above that if the internal justice system does not defend against feelings of arbitrariness and discrimination it might ultimately destroy the organization.

86. The Inspectors believe that the Secretariat should not imply or assert its helplessness to protect staff from vengeful managers. Instead, top management should actively encourage and protect

confidential staff reporting as an important way to combat the debilitating effects of waste, fraud, abuse, and corruption in the United Nations Secretariat. The United Nations' own anti-corruption manual of 1990 advises countries to counter overt and subtle intimidation by recognizing that

> "...the sine qua non is a power figure dedicated to independent investigation of an allegation on its merits, who will protect the anti-corruption authority from improper pressures or will allow it...to resist and ignore threats of career retaliation"[71].

D. Applied information technology

87. In early 1985 JIU issued a report on management issues in computer use in several United Nations organizations, amid very dynamic changes in information technology. The report concluded that the tools and processes of computerized information systems can be a very important means to help organizations obtain programme objectives, increase efficiency, and provide more responsive services. It also concluded that United Nations computer systems development and use had fallen behind other agencies, was not responsive or well-controlled, and was not able to attain realizable management improvements and cost savings. The JIU urged the Secretary-General to take urgent action to ensure a clear-cut systems development process, and balanced management services and computer systems staffing [72].

88. The Secretariat has since moved slowly forward. In late 1985 a DAM reorganization assigned policy responsibilities to a new Management Services Division. In mid-1986 a Technological Innovations Board of major users was established to oversee computer systems development throughout the Secretariat [73]. A Secretariat evaluation for CPC in mid-1987, however, confirmed JIU's findings that the Secretariat had not adequately harnessed the new technologies to increase productivity, nor had it evaluated the technology already in place [74]. In late 1987 the Secretariat finally acknowledged that it had an uncoordinated set of 22 computerized administrative systems, that there was "widespread dissatisfaction" with these old and unresponsive systems, and that this situation had "severe repercussions" throughout the organization in extensive extra costs, fragmentation, and lack of responsiveness [75].

89. In late 1988 the General Assembly approved an integrated management information system (IMIS) for processing and reporting on administrative actions at all duty stations. IMIS is a very large project, contracted out to a specialized firm and totalling some $US 41 million for phase I through mid-1994, with further phases to follow. Since the project is only now moving into gradual implementation, there has been nervousness about the benefits and "payoff" of this new system. However, a preliminary appraisal by two independent experts was optimistic [76].

90. These are, however, other areas where new technology could be developed to bring significant benefits to Secretariat operations. The great advantages of an optical disc based technology for documentation storage and retrieval, including massive cost-savings opportunities, were first broached by the JIU in its 1986 report on problems of storage and its costs in organizations of the United Nations system [77]. They were re-affirmed the following year in an addendum to that report [78]. After a successful pilot project, described in a JIU report entitled "From the optical disc pilot project at the United Nations Office at Geneva to an optical disc system for the United Nations" [79], the General Assembly requested the Secretary-General to implement the optical disc system [80].

91. Unfortunately as of mid-1993, the project has not significantly advanced at Headquarters, although the Geneva operation is moving forward with a number of missions of Member States on line with the UNOG network. As stated in the JIU's annual report in 1991, "The Inspectors are of the

opinion that the authorized implementation of the operational phase of the project would undoubtedly have been substantially accelerated, and unnecessary expenditures avoided, if it had been assigned for action to personnel whose positive commitment to the project was more pronounced" 81/.

92. In 1991 the Secretary-General began providing an annual report on the status of technological innovations. Although it still falls short of assessing specific costs, benefits, uses, and results obtained, as requested by the General Assembly in 1989 82/, it does provide much more information than heretofore available on applications and potentials for technological innovations in the Secretariat. 83/.

93. During this 1985-1993 period, there have been further powerful advances which now provide a "critical mass" of new technologies that are finally making the "information revolution" start to pay off. Very significant opportunities for fundamental "re-engineering" and streamlining of work and information flows and other productivity increases now exist through desk-top computers and software advances such as graphical user interfaces, networking software, relational databases, and imaging.

94. IMIS, among other things, has led to a great deal of in-depth analysis of Secretariat work processes and data flows, and has resulted in staff who have become very knowledgeable in such areas. The Inspectors believe that in both the computer systems and management advisory services, as JIU stressed in 1985, full-time information technology analysts could be critically important to help establish more efficient and responsive services to meet rapidly-changing operational demands and better utilize new technologies in United Nations programmes in the years to come.

E. Financial management control systems

95. The Financial Management and Control Division of DAM reviews, updates and co-ordinates financial policies, procedures and control systems as necessary in the Secretariat. In recent years, the reports of the Board of Auditors have identified an increasing number of problems in the efficiency and effectiveness of financial procedures and controls, the accounting system, and related administrative areas, as well as the need to strengthen these controls.

96. The General Assembly has responded to these problems with great concern and has urged the Board of Auditors and ACABQ to give increased attention to internal controls. The Secretariat has provided several reports in response to these requests. Assembly resolutions of the past three years have called repeatedly for actions concerning:

- more audit coverage and follow-up on audit recommendations,
- confidential reporting of fraudulent resource use,
- stringent inventory controls,
- more effective control of allowance and benefit payments,
- strict compliance with rules governing unliquidated obligations,
- abuses in income tax reimbursements,
- more transparent and cost-effective purchasing policy,
- better control of short-term hires,
- recovery of misappropriated funds, and
- criminal prosecution of those who commit fraud 84/.

97. The Inspectors note that financial management controls are receiving a tremendous amount of attention, probably largely due to the systematic, independent oversight reports from the Board of Auditors. Other basic management areas (assessment reporting, organizational restructuring, programme planning, and personnel matters have similar problems, see sections I. through L. following), but receive much less independent scrutiny. JIU recommended in 1988 that DAM and the Department of Conference Services, which together consume almost half the regular United Nations budget, should also be subject

to regular reports which examine their efficiency, service quality, and productivity. The Secretary-General declined, arguing that current Secretariat reporting was adequate [85]. The Inspectors, however, believe that this major area of Secretariat activity and this recommendation deserve re-examination.

98. In addition, Inspectors note that the recent Assembly resolutions have called for strict compliance with existing financial regulations and rules, and actions to ensure that expenditures do not exceed allotments and that disciplinary measures to enhance accountability and budgetary discipline are enforced [86].

99. Yet on this fundamental point a February 1993 memorandum from the Controller to department heads stated that the 1990-1991 biennium produced an "unacceptable level of overspending". He observed that 1992 was not much better, that recent audits had shown increasingly frequent cases of overspending, and that some offices clearly were not observing the allotment limitations. The Controller called for "active co-operation" to ensure better control over expenditures, because Member States will "collectively be less and less tolerant with [such] practices" [87]. The Inspectors note that overexpenditure of allotted funds is a very serious violation subject to severe sanctions in at least some member countries. They believe that the only acceptable level of overspending by United Nations Secretariat programme managers is zero, and that this principle should be very firmly enforced.

F. Management training

100. In the absence of strong oversight and management improvement units, an organization must rely more heavily on staff members themselves to provide good management. But the United Nations Secretariat has long-established management skills problems. As far back as 1978 ACABQ noted with concern the difficulties of establishing in-house management training to "create and sustain a management climate" in the Secretariat. Yet in 1986 the Secretary-General had to cite once again the need for improved management "at all levels", and state that a "principal task" for him would be "to ensure in future that management skills are given high priority in recruitment and in training" [88].

101. Training is needed not only in general management skills, but also in those needed to implement programmes. Observers have consistently noted the problems of poorly designed programmes, poorly-stated objectives, and unsatisfactory self-evaluation reports in the United Nations programme planning cycle. They occur in considerable part because programme managers have not had proper training to enable them to perform these responsibilities well [89]. Similarly, the 1990 JIU report on extrabudgetary resources noted, and the Secretary-General concurred, that a major problem was that programme managers did not know the rules and procedures on acceptance and use of extrabudgetary funds, leading to uncertainties, confusion, and very vague reporting on the management of what is now a major funding source for United Nations programmes [90].

102. During the past few years agencies of the United Nations system have become much more aware of the importance and need for good management training programmes, as indicated by a recent report by the Consultative Committee on Administrative Questions (CCAQ) [91]. The JIU system-wide report on accountability and oversight will discuss recent initiatives taken. Meanwhile, the United Nations is finally launching its own programme.

103. The Secretary-General reported in late 1992 that he would implement a comprehensive system to develop leadership, supervisory, and managerial skills through training for staff at all levels, including peacekeeping and technological skills training. The report noted that an estimate by all units of their training requirements for 1992-1993 showed the "serious gap" between what almost 15,000 staff need and the resources available for training. For instance, the priority management training programme - supervisory training - reached only 120 people in the 1991-1992 training year, and only 550 staff since its inception. The United Nations presently spends only 0.29 percent of its staff costs for occupational and management training, well below the 2 to 3 percent that comparable United Nations entities and some governments spend [92].

/...

104. The General Assembly endorsed the proposals of the Secretary-General for training [93]. The Government of Japan has provided $1.4 million for start-up costs, and the 1994-1995 programme budget requests about $1.9 million for management training. Between late 1993 and mid-1994 management seminars developed and implemented by a consulting firm will be held for all Directors Secretariat-wide (some 300). A training programme for administrative and executive officers on personnel and financial matters will also be offered in New York in October 1993.

105. The Secretary-General's 1992 report on training observed that it is widely recognized that without effective leadership and management, organizations risk wasting valuable resources. It also stated that in the "new era" of United Nations programmes the quality of leadership and management are crucial to meet rising expectations, fulfill new mandates, and become more operational despite severe financial constraints.[94] The comprehensive management development plan is a very positive step toward building these capacities, but it begins at a very late date.

G. Management improvement efforts

106. Another important source of management improvements in any organization is the knowledge, insights, and ideas of the staff involved in programme management. Many organizations have instituted cost-savings, cost-reduction, quality circle, total quality management, and other initiatives and incentives. These programmes attempt to tap the creativity and good sense of staff in order to systematically improve operations and cut costs and waste.

107. Once again, United Nations Secretariat efforts have been limited. In 1984 the Secretary-General announced a new "Staff Incentive Programme" to encourage streamlining, improvements, and cost reductions in the Secretariat. A 1992 status report noted that the programme has been very modest, with only about 40 proposals yearly from some 15,000 staff, of which only 3 or 4 a year are accepted and not all are actually implemented. The report recommended that the programme needs a broader focus, more support and visibility, new procedures, more significant awards, and perhaps a report by the Secretary-General each year to the ACABQ and Fifth Committee to both strengthen the programme and help monitor the implementation of winning proposals [95].

108. In early 1993 a Secretariat journal reported on a small model project, initiated by external consultants, to help staff in the Diplomatic Pouch Unit analyze their work processes and tasks, goals, and user needs, and suggest and implement innovations to improve their productivity. Similar projects, to be assisted by MAS, are expected to take place in any other DAM units that wish to participate [96].

109. The General Assembly showed its concern with the vast untapped potentials in this area when it called on the Secretary-General in late 1992 to "introduce appropriate measures in conjunction with the International Civil Service Commission to enhance the motivation of the staff in order to increase creativity and productivity" [97]. The Inspectors believe that the two actions cited above could be useful if strengthened, but are only a small part of what could be done to develop a vigorous and innovative management climate throughout the Secretariat. A good further step could be to resurrect the 1984 proposal of the Secretary-General, never implemented, to help make management improvement a priority measure by reporting on it regularly to the General Assembly [98].

H. External management consultants

110. The possibility of external reviews of Secretariat performance has often been raised. CPC recommended in 1984 that evaluations of programmes by governments could supplement the limited Secretariat in-depth evaluations, and called again for independent external evaluation in 1992. The 1986 Secretariat Evaluation Manual states that intergovernmental bodies may undertake evaluation studies themselves, or commission outside evaluators to make them. And the 1985 JIU system-wide evaluation status report found that more than one- third of the system's organizations had had some type of external evaluation study made recently [99].

111. In a 1984 report on Secretariat reporting to ECOSOC JIU concluded that inadequate reporting suggested the need for outside expertise to supplement Secretariat efforts. JIU recommended that consultants be hired for CPC to examine and report on co-ordination or programme problems, or that CPC might be provided with a permanent Secretariat comparable with that available to the ACABQ [100].

112. The Secretary-General flatly disagreed: he cited various procedural objections, but did state that he would respond to requests from the General Assembly and ECOSOC for specific consultants on a priority basis [101]. CPC was of two minds on the question: despite its earlier call for outside expertise in evaluation, "many delegations" in 1985 found the JIU recommendations "unacceptable", arguing that independent reviews and points of view should still be sought from within the Secretariat wherever possible [102].

113. In the past few years, however, this situation has changed considerably, at least in one dimension. The Secretariat relied heavily on external expertise for the massive IMIS project despite the existence of a large Secretariat computer systems unit [103]. During the past two years the Secretary-General has also enlisted a series of external consultants, often working "pro bono", to deal with important management reform and improvement matters in the Secretariat. The Inspectors endorse this process to enhance and expand management ideas and initiatives in order to benefit from different models, experiences, and schools of thought. Unfortunately, however, governing bodies and Member States do not see the work, the reports, or the results of these consultants. They thus do not benefit from expertise and fresh perspectives which could stimulate and inform their own decision-making responsibilities and deliberations on management matters.

114. The Inspectors still believe that the General Assembly and ECOSOC should be able to establish at least some independent management consultant reviews and reporting for priority topics, as other system organizations have done, to complement the Secretary-General's own use of such consultants and existing external review efforts. JIU proposed in its 1991 annual report, for instance, that consultants or experts made available by Member States could help expand JIU's ability to better provide the in-depth evaluation of management and budgetary issues that the General Assembly has sought [104]. Such resources, working with JIU and other external oversight bodies or directly for governing bodies, could be another important supplement to the scarce oversight resources within the Secretariat.

I. Other assessment reports

115. Four other basic Secretariat managerial processes need to be mentioned because their overall weakness and uncertainty greatly complicate efforts to strengthen accountability, oversight, management improvement and internal controls, as discussed in the preceding sections. These areas are other assessment reporting, organizational restructuring, programme planning and budgeting processes, and personal accountability.

116. The 1984 JIU report on reporting to ECOSOC cited the long-standing "crisis" in the role and functioning of ECOSOC, and traced much of it to technical difficulties and misunderstandings and frustrations between the Secretariat and intergovernmental organs. Part of the problem was a flood of documents: some 108 reports and 4,000 pages in 1983 of pre-session documentation alone. This documentation was not only voluminous, but too late, rather diverse, only partly summarized, too purely informative, and without recommendations. JIU concluded that this situation greatly hampered ECOSOC and its subsidiary bodies in policy formulation, co-ordination, and planning and programming, and required urgent corrective efforts [105].

117. The Secretary-General agreed that too many Secretariat documents were more descriptive than analytical, did not always precisely identify key policy issues, and often lacked policy recommendations for governing bodies to consider. He also noted that while the Secretariat reports tended to rely cautiously on established views, intergovernmental bodies too often requested repetitive reports although there were no new developments, as a substitute for a search among members for compromise, concession and agreement. He endorsed JIU's conclusions and stated that efforts would continue to make documentation less descriptive and more analytical, highlight key policy issues and recommendations, and prepare more concise and consolidated reports [106].

118. Unfortunately, the quality of general "assessment" reporting seems to have changed slowly, if at all. A clear illustration of the two types of reports was the Secretary-General's 1989 "final report" on implementation of recommendations of the "Group of 18" experts. Although it "encompass[ed] all actions" and "illustrate[d] progress accomplished", it was only an information report, supplemented in 1990 with an expressly analytical report which followed a specific framework established by the General Assembly [107]. Some other very recent Secretariat reports are more clear and analytical than in the past, but too many others are still of the "on the one hand...on the other hand...very difficult...others have failed...one might try...will keep under careful review" type.

119. Reports nominally of the "Secretary-General" or "Secretariat" are in fact prepared by anonymous authors whose experience and competence, while hopefully considerable, is unspecified. They usually contain no explanation of scope or methodology used, and do not crisply document and summarize past reporting on the topic (but often do leave the impression that they repeat much of the old reports' contents without attribution). They gloss over rather than pinpoint problems, and still lack summaries, analysis of options, and firm conclusions and recommendations. This vast amount of "assessment" reporting thus severely hampers United Nations accountability and oversight. It ties up scarce staff resources for trivial rather than useful reporting, clogs reporting channels with documents of limited value, and deprives top management and governing bodies of the substantive information they need to make effective policy decisions.

J. Organizational restructuring

120. The haphazard growth and complexity of the United Nations Secretariat has led to persistent attempts at reform over the years, including major attempts in 1953, 1961, 1966, 1969, 1975, 1982, 1986 and 1992. Most of these reforms have sought, as did the "Group of 18" experts, to develop clearer lines of authority, responsibility, accountability, and communication; improve co-ordination; and avoid duplication of work [108].

121. Recently, restructurings have begun to pile up on each other. In an article in the March 1992 UN Chronicle, the outgoing Secretary-General cited reform efforts involving "meticulous...self-analysis" and streamlining that had produced a "rejuvenated" United Nations. But the very next article reported on a plan developed by 22 countries (and subsequently launched in 1992) to remedy the Secretariat's "top-heavy" administrative structure and "ad hoc"operations [109].

122. In March 1993 the Secretary-General reported to the General Assembly on the budgetary and programmatic implications of the second phase of his Secretariat restructuring efforts, which had began in December 1992. These efforts involved the creation of new departments, relocations, redeployment of posts, and redistribution of resources for the 1992-1993 biennium [110]. The General Assembly generally approved his proposals and called for reviews of other units around the world. However, it also requested him to provide at the Assembly's next session "detailed and clearly identifiable information on all costs incurred and savings achieved" as a result of the first two phases of the restructuring exercise.[111]

123. The General Assembly specifically invited the Secretary-General to ensure, in the search for improved efficiency, "that resources are used in the most effective way and that the programme managers are fully responsible and accountable." In addition, it reaffirmed its December 1992 request that the Secretary-General establish a system of responsibility and accountability for programme managers and report thereon to the Assembly at its forty-eighth session[112].

124. The Inspectors fully respect the importance of, and need for, restructuring to enhance Secretariat effectiveness, and the Secretary-General's prerogatives in this area. They also note, however, concerns and indications that the process may be spinning out of control at present, such as the lack of Secretariat organization charts, telephone books, and official staff lists over the past two years, as well as the considerable changes and flows still underway in Secretariat staffing tables as a result of redeployments.

125. If the situation stabilizes soon, accountability and oversight may well be strengthened. But rapid and continuing restructurings risk accentuating confusion and blurring responsibilities. They allow managers to make a "fresh start" with no performance record to track, and leave people to sort out complicated new formal (and informal) reporting and functional relationships. Worst of all, they might become an end in themselves, actually serving to avoid accountability through the turmoil of endless organizational reshuffling.

K. Programme planning and budgeting

126. The United Nations programme planning and budgeting processes are also presently unable to serve as effective frameworks within which accountability and oversight can properly occur. The Regulations and Rules cite the medium-term plan as the "principal policy directive of the United Nations" [113]. In 1990, however, the ACABQ stated that much remains to be done to make the plan of real use to Member States and the Secretariat, and observed that evaluation had largely not been integrated into the process, while the programme performance reports were also of little use [114].

127. In 1993 the Secretary-General convened a technical seminar of experts to assist the Secretariat in drafting a new format and approach to programme planning. The group concluded, as JIU has argued in its reports over the past fifteen years (see discussion in Chapter III.B. and C.), that "Much more time is spent on reviewing plans and budgets than on implementation and evaluation", and that "This imbalance needs to be corrected." Unfortunately, the resulting Secretary-General's report proposed no noticeable changes to the existing programming cycle to overcome the present, and fundamental, monitoring and evaluation weaknesses[115].

128. Similarly, as JIU's systemwide report on budgeting noted in 1989, programme budgets serve as instruments for programme and financial control for organizations during the implementation period [116]. Yet in 1983 Secretariat officials blamed the complexity of the programme budget for its very late submission in that year, and began a multi-year search for new budgetary processes, procedures, and formats [117]. Some progress has since been made, but budgeting remains overly complicated. A more simplified process and overhaul in budget philosophy are needed if budgeting is to serve as the instrument of policy that it rightly should be.

129. The Inspectors note two aspects of programme budgeting that bear very closely on accountability. First, ACABQ and CPC observed years ago that the separation of programme and financial data prevented Member States from relating inputs to outputs and determining if they were "getting their money's worth". In 1986, the "Group of 18" experts concluded that the programme budget was still just a "financial compilation", and JIU found that financial reporting still dominates performance reporting, especially since detailed programme cost data were lacking. JIU recommended in 1988 that "high priority" be given to establishing a computerized management system that would integrate both performance and financial information for effective programme decision-making [118].

130. In response, the Secretary-General stated that this matter had been a concern of the General Assembly "for some time." He stated that efforts to finally join performance and financial information could be considered after the IMIS project was in place [119]. As IMIS moves slowly forward, however, this critically needed data reform slips further and further into the future.

131. JIU has also over the years reported on procedures and potentials for cost-measurement systems, assessment of staff requirements, workload analysis, time-limited objectives, work programmes, and achievement indicators [120]. Some progress was made on an inter-agency basis in the late 1970s on such areas as translation services and other conference services [121], and at the request of the General Assembly the Secretariat provided an updated report on such standards to ACABQ in 1990 [122].

132. In other areas such as administration, however, the Secretariat has moved very slowly to develop workload standards and data [123]. In 1988 the General Assembly urged the Secretary-General to take due account of work-load analyses in restructuring efforts, and in 1990 it further "encouraged the intent of the Secretariat to development management and work-load analysis techniques" [124]. A 1991 Secretariat study cited the complexities in this area, but did suggest that a pilot study be made of workload analysis and benchmarks in the administrative area [125]. In 1992, the Assembly stated much more emphatically that "workload standards and other management techniques of crucial importance" to determining resource requirements remained unutilized, and should be developed for programme budget use for 1994-1995 and beyond [126].

L. Personal accountability

133. Last, but far from least among the basic managerial factors underlying accountability and oversight processes, is personal accountability of managers and staff for their performance. The crucial dimension, of course, is performance appraisal processes. The International Civil Service Commission (ICSC) has recently prepared reports both on the many years of discussions of difficulties in establishing sound performance appraisal systems, and on recent initiatives taken by various agencies of the United Nations system [127].

134. Performance appraisal processes in the United Nations Secretariat have been sharply criticized for years. The "Group of 18" experts recommended in 1986 that the Secretary-General should include in his annual reports on personnel matters a section on staff performance ratings and promotions [128]. The Secretary-General reported in 1990 that the recommendation was being implemented through a new performance evaluation system which would include numerical ratings to permit direct staff rating comparisons and would be introduced in 1991 [129]. However, OHRM officials told the Inspectors that they are only now discussing proposals for the new system with staff representatives, and hope to test it during 1994.

135. Thus, criticism continues that the Secretariat has too much "deadwood" doing too little work and too few good staff members doing too much. The performance appraisal system gives positive assessments for nearly all (90 per cent) of staff, thereby depriving the Organization of the ability to reward superior performance and to sanction sub-standard performance. Therefore, establishing a new system should be a "high priority." The 1993 ICSC report observed that while most performance

appraisal processes in the United Nations system are now task/performance-based (i.e., accomplishments and results) or moving in that direction, the United Nations clings to a personality trait/professional-conduct type system (i.e., "dependability", "oral expression", "competence"). [130]. In addition, the existing Secretariat system provides no performance appraisal for senior Directors and policy-making officials of the Secretariat (D-2 level and above).

136. The General Assembly continues to be very concerned. In April 1993 it called on the Secretary-General "to undertake without delay a complete review of the performance evaluation system", in consultation with ICSC, in order to develop it into "an effective system that accurately assesses staff performance and improves staff accountability". It also requested him to ensure that staff regulations concerning separation from service will be effectively applied to staff members whose performance evaluations are consistently poor[131].

137. The "Group of 18" also emphasized the importance of clear, coherent, and transparent rules to guide staff conduct [132], and the Secretariat has sought to develop a simplified, more usable manual [133]. However, OHRM officials stated that they presently lack the resources to complete this task. The Inspectors believe that clear and complete guidance is essential if staff are to be held accountable for their behaviour. In this respect, the existing code of staff conduct, although a quite sensible and useful one, was issued in 1954 [134]. Although reissued by the Secretary-General in 1982 to "guide staff in their daily work" [135], it has never been updated. OHRM has recently issued guidance on such matters as equal treatment of men and women, sexual harassment, and assistance in substance abuse cases. The Inspectors believe,however, that after 40 years it is long past time to issue comprehensive, up-to-date guidance on staff conduct which incorporates not only these topics but such other recent concerns as:

- -- discrimination based on age or race;
- -- privacy issues in the computer systems era; and
- -- financial disclosure and conflict of interest matters.

138. Underlying all other personnel issues is effective recruitment and deployment of administrative and management staff. The General Assembly reaffirmed once again in early 1993, in accordance with the United Nations Charter, that the paramount consideration in staffing and conditions of service is to secure the "highest standards of efficiency, competence and integrity", with due regard to as wide a geographical recruitment as possible [136]. As one United Nations unit expressed this point to the Inspectors in commenting on this JIU study:

> "It is vital to improve the management of the Organization. ...While the current preoccupation of the General Assembly with accountability and oversight is recognized...the answer is...a focus on the required combination of intellectual and administrative ability in recruitment and placement."

V. SUMMARY ASSESSMENT OF THE PRESENT ACCOUNTABILITY AND OVERSIGHT SITUATION

139. The rising criticisms and concerns directed at Secretariat accountability and oversight units and processes indicate clearly a "crisis of confidence" among governing bodies and outside observers, and even to some extent among Secretariat managers. Complaints have been voiced for years, but there have never been so many pointed criticisms from so many knowledgeable sources as those now being made. The new Office for Inspections and Investigations established in September 1993 is a very positive response, but Secretariat accountability and oversight efforts still require urgent and far-reaching corrective action.

140. To recapitulate, the four main oversight units now incorporated in the new Office have struggled to overcome very inadequate staffing, awkward deployment of resources, and constrained mandates. But despite a decade or more of sustained effort, these units are foundering:

-- internal audit needs "urgent strengthening", again;
-- internal evaluation is an acknowledged "somewhat sickly child";
-- monitoring spews out only a flood of tepid numbers; and
-- management advisory efforts fall far short of stated objectives.

141. The various other accountability, control and oversight processes in the Secretariat fare little better.

-- on-site inspection work scarcely touches operating units;
-- fraud and abuse investigations are too little, too late;
-- "hotlines" are considered to be too much trouble;
-- information systems work is tied up in one big project;
-- financial control discipline is questioned in many areas;
-- management training will begin, but very late in the day;
-- management improvement potential is scarcely being tapped;
-- many other "assessment reports" often have little to say;
-- management consultants are reserved for internal use;
-- reorganizations have brought confusion as well as streamlining;
-- needed programming tools have not developed as expected; and
-- effective personal accountability does not exist.

142. The major causes of these problems seem to be several. The first has been a lack of coherence. The main recommendation of JIU's 1985 systemwide evaluation report was that each organization should strive to establish an integrated, responsive, performance-oriented information system and management development process for continual, systematic organizational improvement [137].

143. Yet the 1992-1997 medium-term programme plan for administrative direction and management of the Secretariat highlights only internal audit, with no integrated discussion of oversight, control and management improvement and management development perspectives [138]. The oversight units stated that they consult with each other formally and informally, whenever possible, in the conduct of their work. However, actual operations clearly indicate that these small units, working in a partial way in their own restricted areas, constitute a "sub-optimizing" process which not only leaves many gaps but is weakened because there is no overall driving perspective and sorting out of accountability and oversight priorities.

144. A second major problem is lack of transparency and openness. Information on the main oversight units, except for IAD, is scattered like needles in a haystack throughout the lengthy administration and management section of the United Nations programme budget [139], and the units are in fact essentially "invisible" to outsiders. The almost total lack of any reporting outside the Secretariat, of course, exacerbates this lack of knowledge of what the units are doing. IAD does no external reporting at all. The CEU does essentially one in-depth report each year, plus a very generalized biennial evaluation status report. The CMU reports only numbers, and that only once every two years.

145. For a number of years, the Secretary-General presented very informative reports on management improvement projects and accomplishments of AMS to the Fifth Committee of the General Assembly and to the ACABQ[140]. But these reports faded away during the 1980s and MAS does no external reporting at present. Among other processes, the new annual reports on technological innovations are the only bright spot, although regular external reporting is now, finally, being suggested in a few other management areas as well.

146. The lack of measures of oversight effectiveness is a third major problem. The first important measure is "compliance", that is, the number of recommendations made by the oversight unit and whether they have been accepted, rejected, or are pending. The next step is systematic follow-up, to determine whether those recommendations accepted have actually been implemented, and with what results. Other important effectiveness measures are cost savings and significant service improvements or innovations achieved [141].

147. At present, the four main oversight units have only quite limited measures of their effectiveness, and modest success. The CMU makes no recommendations at all. Although the old AMS had a quite active and transparent followup process in the past[142], MAS presently has no data on followup of its work. CEU data on its in-depth evaluations indicate that CPC only "took note" of about half its recommendations, but that about 77 percent of those that CPC approved are considered as having been implemented [143]. IAD statistics show that about 72 percent (4896 of 6832) of the recommendations it made from 1989-92 are no longer outstanding. Partial statistics from 1990 through mid-1993 show that IAD also recommended about $54 million of cost savings, but only about $17 million (31 percent) had actually been recovered.

148. A fourth major problem, mentioned again because it is accentuated by the fragmentation, non-transparence, and lack of compliance data noted above, is independence. Since all the units and processes were in DAM, there were no proper checks and balances. In addition, the Secretariat's rejection of "hotline" reporting because it feels it cannot protect "whistle-blowers" was already cited in Chapter IV.C. The Secretariat also had to issue an instruction in 1989 warning that threats and/or acts of violence which had occured against staff on official duty, particularly members of advisory bodies to the Secretary-General, would not be tolerated in the future [144]. Further, the Inspectors are aware of oversight staff who have been threatened with involuntary transfers to hardship duty stations as a result of their oversight work. These occurrences suggest that establishing and maintaining "independent oversight" in the United Nations Secretariat is not just a conceptual debate. In fact, independence is a fundamental oversight element which is at least partially under attack. As the General Assembly has stated, it must urgently be strengthened and defended.

149. Above all, the United Nations Secretariat and intergovernmental bodies seem to have become locked into a management culture which resists substantive improvements in management systems and oversight. The General Assembly raises serious concerns. Partially explanatory Secretariat reports are prepared. The Assembly calls in a general way for further improvements. Attention then gradually dies away, until the next cycle of calls for urgent action begins.

150. When it is pointed out that other international organizations, including the specialized agencies of the United Nations system, have made encouraging progress with new management, oversight, and accountability initiatives and systems, a frequent excuse from some Secretariat officials is to assert that the United Nations Secretariat is "special" and "different", because of its structural complexity, all-encompassing agenda, and above all the heavy political nuances that permeate all its activities. Thus, they argue, one cannot hope that good management found elsewhere can be established and function well in the Secretariat.

151. Unfortunately, this argument comes very close to arguing that the United Nations Secretariat is "unmanageable", and/or that its managers are not capable of overcoming the inevitable obstacles and providing high-quality management. Yet all public organizations have complex goals and operations, multiple possible activities to choose from, and many competing political and interest groups. Furthermore, all public organizations need to be transparent and held fully accountable for the proper use of the funds entrusted to their stewardship, and for the quality and responsiveness of the services they provide.

152. As indicated by establishment of the new Office for Inspections and Investigations and as discussed in the following Chapter, "special and different" or "business as usual" responses no longer seem acceptable to top leadership of the Secretariat, to those many people whose lives literally depend on effective delivery of United Nations services, and to those who provide the organization with substantial funds in an era of severe international resource scarcity. Past years have been marked by inertia and oversight activities "on the cheap". Now, Member States and top management need to take decisive action to establish accountability and oversight processes that have sufficient muscle and teeth to ensure more open self-examination, corrective action, and positive management initiatives throughout the United Nations Secretariat.

VI. ADVANTAGES OF A SINGLE, CONSOLIDATED OVERSIGHT UNIT

153. Budgetary discussions in the Fifth Committee in October 1991 showed that Member States were just as dissatisfied with the budgetary and performance review processes of the Secretariat as they had been in 1985 (as discussed at the beginning of Chapter III). Representatives criticized long-standing deficiencies in programme budget methodology and format, unsatisfactory procedures to evaluate workloads, and a lack of programme reviews by intergovernmental bodies. They were told that the much-criticized programme performance reporting format was no longer workable. Various delegations also expressed concern at inefficiency, mismanagement, wastage and fund loss discovered by the external auditors, and questioned whether financial control and internal auditing mechanisms could detect violations at an early stage [145].

154. The ensuing two years have been marked by increasingly severe worldwide economic difficulties and a strong sense of chaotic change and impermanence. There is strong pressure on all types of public organizations to prove to their citizens, clients and taxpayers that their activities are not outmoded, wasteful and ineffective, but can in fact be conducted with much greater responsiveness, rigour, and effectiveness. The United Nations is not exempt from this loss of credibility, and the resulting demands for assurance of high-quality performance and continual management improvement.

155. These general pressures and demands have been underscored by recent United Nations deliberations and reports.

(a) The Secretary-General told the Fifth Committee in November 1992 that although the Organization's tasks are growing constantly more complex, it has been operating in slow motion. He called for a breath of fresh air through logical organization, harmonious decentralization, an integrated approach to all the interrelated managerial issues, measures to ensure that staff at all levels are held accountable for their performance and professional conduct, new ways of thinking, and new working methods [146].

(b) An advisory group report on future United Nations financing in early 1993 noted the many difficult challenges that must be overcome to ensure stable and predictable financing for all the vastly-expanded United Nations programmes. The report stated that "support for improved financing will be dependent upon a perception that funds are economically managed and effectively spent" [147].

(c) Staff representatives reminded the executive heads of United Nations system agencies in April 1993 that change is inevitably hesitant, costs money, must be managed, and is disruptive and time-consuming. But they argued that the system must change to meet its changed roles, and that management practices, personnel policies, recruitment and promotion must be made consultative, transparent, rational, fair, non-discriminatory and free from political bias [148].

(d) JIU's 1992 report on greater operational co-operation with multilateral financial institutions (commended to other governing bodies and executive heads of organizations by the CPC in May 1993), noted that United Nations system agencies must make their operational programmes much more innovative and responsive in order to survive in a vastly more competitive international environment. The key factors for improved operational co-operation include identifying and concentrating on what each organization does best, solid performance and quality control through improved oversight and follow-up systems, and regular reviews of results to ensure accountability [149].

/...

156. The new oversight office established in September 1993 is far from a magic solution to all the financial, managerial, geographic, staffing and political complexities that characterize current United Nations programmes. But the Inspectors believe that this consolidated oversight unit, initially combining (as an absolute minimum) the functions and staff resources of the present four small oversight units, reporting directly to the Secretary-General, and engaging in an ongoing dialogue with governing bodies (as discussed in the following Chapter) can provide a set of very significant potential advantages when compared to the past unsatisfactory oversight arrangements.

157. Independence - freedom from control or outside influence in planning, conducting and reporting on audits and studies - is a critical element of effective oversight. The single oversight unit, with express guarantees of independence and reporting directly to the Secretary-General, would have considerable actual and perceived independence and therefore credibility. The several small, lower-level oversight units buried within DAM in the Secretariat had little independence because they assessed the performance of higher-level officials as well as that of the very administrative officials to whom they reported.

158. The single oversight unit should have far greater flexibility and responsiveness. The new, single unit would not be bound by the narrow mandates and techniques, overlaps, confusions and rivalries, and resource rigidities which hampered the former small oversight units. The single unit can much more easily shift and combine staff resources for urgent priority assignments as circumstances change, and will also expand into significant areas (especially inspections and investigations) which the former oversight units scarcely touched. The new unit also needs to give much greater attention to direct oversight of field operations than the past highly-centralized system provided.

159. The new consolidated oversight unit should provide vastly improved transparency of United Nations operations. In contrast to the almost non-existent reporting of the former Secretariat oversight units to governing bodies, an important task of the new unit should be to issue a public report each year summarizing its work, findings, and views on management performance, progress, problems, and issues in the Secretariat.

160. The new unit should also greatly increase compliance. Rather than accepting on faith that the former small units were pursuing and obtaining significant corrective actions and improvements, the above-mentioned annual report should provide governing bodies with specific, regular reporting on the percentage of compliance with the unit's recommendations, cost savings achieved, significant initiatives by programme managers, commendable performance in the Secretariat, and other follow-up actions.

161. Professionalism could be greatly enhanced in the new unit. Recruitment in small units throughout the Secretariat at present often seems haphazard, emphasizing availability, personal contacts, and, in oversight posts, "knowing the organization" and "writing well." In a single oversight unit, in contrast, a single recruitment process could seek out people with the best possible auditing, evaluation, and investigatory credentials and experience; continually adapt recruitment to changing work needs; establish a much more solid programme of continuing professional training; and provide much more attractive opportunities for career advancement.

162. Economies of scale should also be significant. In addition to a single recruitment and training office, the new unit could provide co-ordinated workload planning, professional editing and report preparation capacities, documentation and database services, and greater capacity to staff special investigations and overcome the inevitable but disruptive staff absences. Past and present JIU analyses have shown that small oversight units have great difficulty attempting to perform all, or even some, of these functions in a systematic way.

163. The new oversight unit could also provide much needed visibility and stimulus to sustained management improvement in the United Nations Secretariat. The head of the unit would not only be an extremely important aide to the Secretary-General in strengthening management, but a focal point to whom governing bodies could address their concerns and ideas about better programme management. In addition, the new unit would be a much more recognizable contact point for professional management and oversight organizations and initiatives worldwide than the former small, largely invisible Secretariat units.

164. Finally, the new unit should be able to establish solid accountability in the United Nations Secretariat, helping through its review work to overcome the many accountability deficiencies discussed in the preceding Chapters. By incorporating the aspects outlined above and the modalities discussed in the following Chapter, the new unit will hopefully add a systematic, dynamic, professional, and transparent system of oversight to United Nations programming and management efforts, as often called for but never achieved in the past.

VII. A UNITED NATIONS OFFICE OF ACCOUNTABILITY AND OVERSIGHT: RANGE OF OPTIONS

165. The foregoing Chapters demonstrate the weaknesses inherent in the present structures dealing with accountability and oversight. The four main units dealing with audit, evaluation, monitoring and management services suffer from internal functional weaknesses, fragmentation and diffusion of responsibilities. Other accountability and oversight processes, as discussed in Chapter IV, need to be carefully reassessed and strengthened. The Inspectors conclude that in this situation a consolidated oversight unit is both advantageous and needed. This could be achieved through the creation of a United Nations Office of Accountability and Oversight.

166. The Inspectors recognize that the details of the operation and structure of such an Office can have a high political content and are open to well-founded differences of opinion. For example, it can be argued that the United Nations Charter by designating the Secretary-General "the Chief Administrative Officer of the Organization" (Article 97) has clearly centred the Organization's accountability to Member States upon him. Good management practice would hold that the Secretary-General has full authority over everything for which he is accountable. Oversight of the functioning of those personnel and the operations of those programmes and activities for which he bears administrative responsibility are, accordingly, matters for which he alone is answerable to Member States. The rigorous selection and maintenance of United Nations staff according to "the highest standards of efficiency, competence, and integrity" (Article 101 of the United Nations Charter, paragraph 3) is of course of key importance in discharging this heavy responsibility.

167. On the other hand, the record of management of the United Nations by its chief administrative officer and his staff (as abstracted in the preceding chapters) does not instill confidence in the managerial capacities of the kind of individual whom Member States persist in selecting as Secretary-General. True, the present Secretary-General has made a commitment to reform and good management. But there is no assurance that future Secretaries-General will be of the same mind, and every likelihood that they will not, as long as political criteria dominate over managerial competence in the selection process.

168. Both of these lines of reasoning would argue for an Office of Accountability and Oversight. The first would operate under existing precepts of Charter responsibility, the second under conditions of greater independence.

169. Because either of these alternative lines of reasoning is entirely defensible and there is probably no right answer, Inspectors have decided to present optional recommendations. These options would serve as parameters, as boundaries of actions. The Inspectors therefore suggest that the leadership, reporting, staffing, funding and other issues concerning the new Office be determined by either set of options or by a combination of elements of the two.

170. <u>Mandate of the Office of Accountability and Oversight</u>

Inspectors recommend that the Office's mandate be to audit, inspect, investigate, evaluate, and help improve all United Nations programmes, activities, and personnel practices for which the Secretary-General has administrative responsibility. Thus, the Office would have both behavioural and programmatic oversight. Option I would hold that the Secretary-General should determine the Office's mandate and submit it to the General Assembly. Option II would argue that the Secretary-General's proposals be submitted to the General Assembly which would be the final authority for approval or amendment.

171. Head of the Office of Accountability and Oversight: Level

Option I: The Head of the Office would be at the Assistant Secretary-General level and serve under the direct authority of the Secretary-General. This official should have ready access to the Secretary-General and have the highest degree of independence, accepting directions only from him.

Option II: Same as Option I, except the level should be Under Secretary-General in order that access to information not be inhibited by considerations of rank and that the incumbent not be diverted by possible opportunities for advancement.

172. Head of the Office of Accountability and Oversight: Appointment

Option I: The Head of the Office should be chosen and appointed by the Secretary-General in consultation with Member States. The selectee should be highly qualified and have a good knowledge of the United Nations, and should have a five-year fixed-term appointment renewable once. Both ACABQ and CPC, because of their respective mandates and expertise, could advise the Secretary-General on the selection. Termination by the Secretary-General could occur only after extensive consultation with Member States.

Option II: The Head of the Office should be selected by the Secretary-General from a short list of candidates proposed by the International Organization of Supreme Audit Institutions [150/] for a five year fixed-term appointment renewable once. Termination could occur by withdrawal of funding for the post by the General Assembly or by agreement between the Assembly and the Secretary-General.

173. Reporting Responsibilities

Option I: The Office's annual report to the General Assembly should be made through the Secretary-General summarizing activities undertaken; findings, recommendations, the degree of compliance with recommendations, and reasons for non-compliance. The report should be channelled as appropriate through ACABQ and/or CPC. Separate special reports to the General Assembly would also be possible. The Secretary-General could of course comment on these matters in a separate report.

Option II: As above, except that the annual report and separate special reports should go directly to the General Assembly through ACABQ and CPC and not through the Secretary-General.

174. Staffing

Option I: The Office would be staffed by absorption of existing personnel from IAD, CEU, CMU and MAS. Recruitment and promotion would take place according to Staff Rules and Regulations. Staff will be members of the United Nations Secretariat. The head of the Office should insist that the staff be highly proficient and well-trained to suit the various functions and needs of the Office.

Option II: The Head of the Office should be delegated authority by the Secretary-General to determine the composition of the Office, including the optimum mix of accountants, auditors, evaluators, investigators, lawyers, and specialists in management, personnel, finance, administration and information. The Head should also receive by delegation the power to recruit, promote, discipline and discharge his Office's staff members within clearly defined regulations. As an interim measure, staff of the Office of Accountability and Oversight could operate under United Nations Rules and Regulations but its Head should be charged by the General Assembly to prepare for its consideration before the next biennium rules and regulations for an oversight service separate from the United Nations Secretariat. From the outset, however, the Head of the Office should be empowered to recruit personnel without restriction except the limits of the Office's budgetary authority. Thus, the Head of the Office should explicitly be authorized to select personnel and posts from the IAD, CEU, CMU, and MAS depending on the skills and capabilities the Head believes are needed. The remainder of the staff of those units should be absorbed into the United Nations Secretariat.

175. Funding

Option I: The Office should be funded through the normal United Nations budget process.

Option II: Although the Office should be entitled to accept voluntary contributions of funds and expert personnel, its basic funding should be by allocation from the United Nations budget and the relevant extrabudgetary funds of a fixed percentage of the financial resources available to the activities for which the Office has oversight responsibilities. Inspectors believe a realistic percentage based upon ratios drawn from relatively successful oversight bodies to be at least one per cent. This would lead to a quite significant increase in oversight staffing, as discussed in Chapter III.E. If the Office of Accountability and Oversight performs its functions effectively and efficiently, however, the budgetary reductions which provide its resources will be much less than the cost savings and benefits which the Office will produce.

176. Relationship with External Oversight Mechanisms

In both options, the Head of the Office should act as the Secretariat's liaison with external oversight bodies (ACABQ, CPC, Board of Auditors and JIU) to assure complementarity of roles and functions and enhance cooperation and coordination. The General Assembly, CPC, ACABQ, and the Secretary-General may request external audit and inspection bodies (like the Board of Auditors and JIU) to carry out specific inspections and investigations for which internal mechanisms are not appropriate. Even a control body like the Office of Accountability and Oversight should itself be subjected to monitoring and oversight and this would be accomplished by external oversight bodies responsible to Member States. Although this subject will be covered in the larger study of which this interim report is a part, it may be useful to note that existing external oversight bodies could assume this responsibility.

VIII. POSTSCRIPT

177. On August 24, 1993, while Inspectors were en route to New York to discuss their draft report on accountability and oversight which they had forwarded to Secretariat officials, the Secretary-General announced the appointment from September 1 of an Assistant Secretary-General for Inspections and Investigations. The new Assistant Secretary-General is to head an independent office which will incorporate various units dealing with audit, management advisory services, evaluation and monitoring.

178. Inspectors were delighted with this decisive action. Firstly, it confirmed their faith in the Secretary-General's frequently expressed commitment to reform and good management. Secondly, by the selection of an individual whose professional qualifications are impeccable and whose knowledge of the United Nations is profound, it underlined the vital importance of competence and knowledgeability in the top oversight and accountability position. And thirdly, it provided implicit confirmation of the principal findings of the present study.

179. There are, however, some initial concerns felt by Inspectors. Although the merger of the main internal oversight units (Internal Audit Division, Central Evaluation Unit, Central Monitoring Unit, Management Advisory Service) is a necessary first step that will result in important economies of scale and gains in co-ordination and effective management, it is patently not enough. It is not enough quantitatively because comparisons suggest that the new office should have from 200 to as many as 800 total staff rather than the approximately 90 staff who are being initially assigned. It is not enough qualitatively because the mix of competences which the new Assistant Secretary-General inherits is certainly insufficient for the job at hand. Where, for example, are the lawyers, the trained investigators, or the specialists in the latest developments in computer systems,management analysis, human resources management, or financial control systems? The Assistant Secretary-General must have access to these skills and whatever other skills are necessary to do this job -- either through in-house capabilities or access to external support.

180. Another concern is the emphasis on uncovering waste, fraud and corruption implicit in the title "Assistant Secretary-General for Inspections and Investigations." True, the capability to handle these matters is essential, both for fostering a climate of probity in the Secretariat and for the financial savings involved. But there are far greater savings to be realized by improved management of programmes and activities that will produce the results Member States have a right to expect. Thus, it is vital that the new office devote substantial time and resources to assisting the Secretary-General in creating and maintaining a dynamic management culture throughout the Secretariat.

181. Beyond this interim report, Inspectors plan to review such matters, as well as the functioning of the newly-established Secretariat office, in the context of their comprehensive report on accountability and oversight in the United Nations system, to be issued next year.

Notes

Chapter I

1/ "Financial reports and audited financial statements, and reports of the Board of Auditors", General Assembly decision 47/454 of 23 December 1992.

2/ "Programme planning", General Assembly resolution 47/214, Part V "Other matters", of 23 December 1992.

3/ "Financial reports and audited financial statements, and reports of the Board of Auditors", General Assembly resolution 47/211 of 23 December 1992.

4/ "Personnel questions", General Assembly resolution 47/226 of 30 April 1993.

5/ "Tuesday highlights", United Nations Daily Highlights, New York, DP/1463 of 24 August 1993.

6/ An extensive overview of accountability issues in public organizations, and in fifteen countries around the world, is provided in Jabbra, Joseph G., and Dwivedi, O. P., Eds., Public service accountability: A comparative perspective, Kumarian Press, West Hartford, Conn., USA, 1989.

Chapter II

7/ Proposed programme budget for the biennium 1992-1993, Volume II, Section 33, "Administration and management", Official records: Forty-sixth session, Supplement No. 6(A/46/6/Rev. 1), pages 98-99, and
"The Internal Audit Division", Organization Manual, ST/SGB/Organization, Section P(V), Rev. 1 of 18 December 1981.

8/ As outlined in the Secretary-General's 1992 report "Programme evaluation in the United Nations: Assessment of evaluation activities and proposals for strengthening the role of evaluation: Report of the Secretary-General", document A/47/116 of 3 April 1992, Table 4. These units (and professional posts) are:

--Department of Technical Co-operation for Development [now restructured] (2);
--United Nations Conference on Trade and Development (UNCTAD) (3);
--International Trade Centre UNCTAD/GATT (ITC) (1);
--United Nations Environment Programme (UNEP) (2);
--United Nations Centre for Human Settlements (1);
--United Nations International Drug Control Programme (3);
--Economic Commission for Africa (ECA) (1);
--Economic and Social Commission for West Asia (ESCWA) (2);
--United Nations High Commissioner for Refugees (UNHCR) (3);
--United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (3);
--Department of Public Information (DPI) (3).

9/ "Status of internal evaluation in organizations of the United Nations system", JIU/REP/85/10 and document A/41/201 of 7 March 1986 and A/41/409 of 11 June 1986, and "Status of internal evaluation in organizations of the United Nations system", JIU/REP/81/5 and document A/36/181 of 15 April 1981 and A/36/479 of 6 October 1981.

10/ "Establishment of a Central Evaluation Unit," Secretary-General's Bulletin, ST/SGB/211 of 20 March 1985.

11/ Proposed programme budget, op. cit., Section 33, pages 46-47.

12/ "Establishment of a Central Monitoring Unit", Secretary-General's Bulletin, ST/SGB/196/Rev. 1 of 20 March 1985.

13/ "Administrative Management Service", ST/STB/Organization, Section P(IV), Rev. 1, of 29 March 1977, and Proposed programme budget, op. cit., Section 33, page 47.

Chapter III

14/ "Summary records, General Assembly, Fifth Committee, document A/C.5/40/SR.22 of 6 November 1985, paras. 3-5, 7, 15, 20, and 22, and A/C.5/40/SR.23 of 6 November 1985, paras. 12/13, 38, 48.

15/ "Statement", before the Fifth Committee, 12 November 1985, paras. 9, 11, 14, 18.

16/ "Reporting on the performance and results of United Nations programmes: Monitoring, evaluation and management review components", JIU/REP/88/1 and United Nations documents A/43/124 of 4 February 1988, Add. 1 of 27 May 1988, and A/44/233 of 25 April 1989.

17/ "Revised estimates...Internal Audit Division...", document A/C.5/40/61 of 26 November 1985, paras. 1-9.

18/ Report of the group of high-level intergovernmental experts to review the efficiency of the administrative and financial function of the United Nations, General Assembly, Official Records, Supplement No. 49, (A/41/49), recommendation 39 and
"Analytical report of the Secretary-General on the implementation of General Assembly resolution 41/213", document A/45/226 of 27 April 1990, paras. 165-168.

19/ "Extrabudgetary resources of the United Nations: Towards transparency of presentation, management and reporting", JIU/REP/90/3 and document A/45/797 of 29 November 1990.

20/ Financial report and report of the Board of Auditors..... , General Assembly, Official Records, Supplement No. 5, (A/47/5), paras. 291-296.

21/ "Financial reports and audited financial statements ...", resolution 47/211, op.cit.

22/ "Reporting on the performance and results...", A/43/124, op. cit., Annex I, paras. 11-17.

23/ "Status of internal evaluation in United Nations system organizations", section I, JIU/REP/81/5,document A/36/181, and "Second report on evaluation in the United Nations system", JIU/REP/81/6 and document A/36/182, both of 15 April 1981, and A/36/479 of 6 October 1981.

24/ "Programme planning", General Assembly resolution 36/228 of 18 December 1981.

25/ "Strengthening the capacity of the United Nations evaluation units...: Report of the Secretary-General", document A/38/133 of 22 April 1983, and follow-up report A/C.5/39/45 of 19 November 1984.

26/ "Programme planning and co-ordination within the United Nations system", General Assembly resolution 38/227 A III of 20 December 1983.

27/ "Programme evaluation in the United Nations", A/47/116, op. cit., paras. 26-33.

28/ Ibid., paras. 10-11, 43-45.

29/ "Reporting on the performance and results...", A/43/124, op. cit., paras. 122-128, 129-135, and 143-152.

30/ "Programme evaluation in the United Nations", A/47/116, op.cit. paras. 34-42, 58-59.

31/ "Monitoring, evaluation and management information: Report of the Secretary-General", document A/44/233 of 25 April 1989, para. 23.

32/ "Joint Inspection Unit", General Assembly decision 46/446 of 20 December 1991, para. (e).

33/ Report of the Committee for Programme and Coordination, Official records, General Assembly, supplement No. 16, A/47/16 (Part I), 1992, paras. 180-183.

34/ "Speakers stress need for improved evaluation methods in examination of programmes", ECOSOC, 1992 substantive Session, 11th Meeting (PM) document ECOSOC/5353 of 30 June 1992, pages 1 and 7.

35/ "Programme planning", General Assembly resolution 47/214, Section III, of 23 December 1992.

36/ "Report on programming and evaluation in the United Nations", JIU/REP/78/1, documents A/33/226 and Add. 1 of 1 September 1978, and Add. 2 of 24 October 1978.

37/ "Reporting on the performance and results...", A/43/124, op. cit., paras. 107-110, 153-155.

38/ Ibid., "Executive summary".

39/ "Programme Planning", General Assembly resolution 43/219 of 21 December 1988, and "Monitoring, evaluation and management information: Report of the Secretary-General", document A/44/233 of 25 April 1989.

40/ "Implementation of the recommendations of the Joint Inspection Unit: Report of the Secretary-General", document A/46/219 of 27 June 1991, para. 5.

41/ "Programme planning...: Report of the Advisory Committee on Administrative and Budgetary Questions", document A/45/617 of 12 October 1990.

42/ "Methodology for monitoring and reporting the programme performance of the United Nations" Report of the Secretary-General, document A/46/173 of 14 May 1991.

43/ Report of the Committee for Programme and Co-ordination, Official Records, General Assembly, Supplement No. 16, A/47/16 (Part I), paras. 33-44.

44/ "Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the IAEA", General Assembly resolution 31/94C of 14 December 1976, and "Management improvement programme in the Secretariat", Secretary-General's Bulletin SG/SGB/155 of 6 April 1977.

45/ Report of the Group of...Experts ...", A/41/49, op. cit, paras. 42-44, and "Analytical report of the Secretary-General ...", A/45/226, op. cit., para. 132.

46/ "Management services in the United Nations system", JIU/REP/81/3, document A/36/296 of 5 June 1981 and Add. 1 of 12 November 1981.

47/ "Follow-up report on the Management Advisory Service of the United Nations", JIU/REP/91/4 and document A/46/327 of 29 July 1991 and Add. 1 of 26 November 1991.

48/ "Follow-up report on the Management Advisory Service of the United Nations: Comments of the Secretary-General", document A/46/327/Add. 1 of 26 November 1991.

49/ "Organizational mandates and structure of United Nations internal audit services: Twenty-fourth meeting of representatives of internal audit services of the United Nations organizations", IBRD/UNDP, May 1993, Washington, D.C.

50/ Light, Paul C., Monitoring government: Inspectors General and the search for accountability, Chapter 10, "Measuring the impact of IGs", Brookings Institution/Governance Institute, Washington, D.C., 1993, pp. 203-223.

51/ "Report of the Committee to review and define the role of internal auditing in the United Nations organizations", Tenth Inter-organization meeting of representatives of internal audit services, September 1977, paragraphs 7-18.

52/ Lima declaration of guidelines on auditing precepts, II., "Independence", and I.3., "Internal and external audit", INTOSAI, General Secretariat, Vienna, Austria.

53/ Auditing standards, issued by Auditing Standards Committee, International Organization of Supreme Audit Institutions, June 1992, Chapter II, paras, 53-81.

54/ "Financial reports and audited financial statements ...", resolution 47/211, op. cit., paras. 14 and 19.

55/ "Reporting on the performance and results...", A/43/124, op. cit., para. 177.

56/ "The changing use of computers in organizations of the United Nations system in Geneva: Management issues", JIU/REP/85/2 and document A/40/410 of 9 July 1985, paragraphs 155-177.

Chapter IV

57/ Report of the group of high-level intergovernmental experts...", A/41/49, op. cit., paras. 28-34.

58/ Clarke, Michael, Ed. Corruption: Causes, consequences and control, London, Frances Pinter, 1983,

Gould, David J., and Amaro-Reyes, Jose A., The effects of corruption on administrative performance: Illustrations from developing countries, World Bank Staff Working Paper Number 580, Management and Development Series Number 7, World Bank, Washington, D.C., 1983,

Klitgaard, Robert, Controlling corruption, Berkeley, Calif. USA, University of California Press, 1988,

McKinney, Jerome B., and Johnston, Michael, Fraud, waste and abuse in government: Causes, consequences and cures, Philadephia, Pa., USA: Institute for the Study of Human Issues, 1987,

Péan, Pierre, L'argent noir: Corruption et sous-développement, Paris, Fayard, 1988,

Richter, William L. et. al., Eds., Combating corruption: Encouraging ethics: A sourcebook for public service ethics, American Society for Public Administration, Washington, D.C., 1990, and

Rose-Ackerman, Susan, Corruption: A study in political economy, New York, Academic Press, 1978.

59/ "Crime and the abuse of power: Offences and offenders beyond the reach of the law?: Working paper prepared by the Secretariat", Sixth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Caracas, Venezuela, A/CONF.87/6 of 22 July 1980, and

"Crime prevention and criminal justice in the context of development: Realities and perspectives of international co-operation: Practical measures against corruption: Manual prepared by the Secretariat", Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders," Havana, Cuba, A/CONF. 144/8 of 29 May 1990.

60/ "Financial reports...", op. cit., preamble and para. 23.

61/ Financial report...and report of the Board of Auditors, Official Records, Supplement No. 5, (A/43/5) of 1988, paras. 340-353; (A/45/5) of 1990, paras. 197-204; and (A/47/5) of 1992, paras. 355-368.

62/ Ibid., para. 13.

63/ These reports include "Administration of justice in the United Nations", JIU/REP/86/8, document A/41/640 of 23 September 1986,

"Administration of justice in the Secretariat: Report of the Secretary-General", document A/C.5/43/25 of 28 October 1988, and

"Administration of justice in the Secretariat: Report of the Secretary-General", document A/C.5/44/9 of 20 October 1989.

64/ "Staff-management meeting to discuss justice administration reform and performance reports", Secretariat News, 31 August 1987, page 5.

65/ "Personnel questions", General Assembly resolution 47/226 of 30 April 1993, part II.

66/ Caiden, Gerald, E., Ed., International handbook of the ombudsman, vol. 1, Evolution and present function, vol. 2, Country surveys, Greenwood Press, Westport, Conn., USA, 1983.

67/ "Possibility of establishing an ombudsman in the United Nations: Report of the Secretary-General", document A/C.5/40/38 of 5 November 1985, and

"Establishment of an office of ombudsman in the Secretariat and streamlining of the appeals procedures: Report of the Secretary-General", document A/C.5/41/14 of 3 November 1986,

68/ "Financial reports and audited financial statements, and reports of the Board of Auditors", General Assembly resolution 45/235 of 21 December 1990, para. 13(b).

69/ "Financial reports and audited financial statements, and reports of the Board of Auditors", General Assembly resolution 46/183 of 20 December 1991, para. 17(b).

70/ "Measures to facilitate reporting by staff members of inappropriate uses of the resources of the organization; internal controls relating to the payment of allowances and benefits; and efforts to recover outstanding excess income tax reimbursements: Report of the Secretary-General", document A/47/510 of 8 October 1992.

71/ "Crime prevention and criminal justice...practical measures against corruption", op.cit., paras. 36-38.

72/ "The changing use of computers in organizations of the United Nations system in Geneva: Management issues", JIU/REP/85/2 and document A/40/410 of 9 July 1985, Add. 1 of 30 July 1986, and A/41/686 of 8 October 1986, Chapter IX.

73/ "Establishment of a Technological Innovations Board", document ST/SGB/219 of 4 June 1986 and Adds.

74/ "In-depth evaluation of the programme on electronic data-processing and information systems services: Report of the Secretary-General", document E/AC.51/1987/11 of 7 April 1987.

75/ "Establishment of an integrated management information system" Revised estimates under section 28: Report of the Secretary-General", document A/C.5/43/24 of 3 November 1988, paras. 5-8.

76/ "Integrated management information system project: Fourth progress report of the Secretary-General", document A/C.5/47/27 of 27 October 1992.

77/ "Problems of storage and its costs in organizations of the United Nations system", JIU/REP/86/9 and document A/41/806 and Corr. 1 of 7 November 1986.

78/ "Problems of storage and its costs in organizations of the United Nations system (Addendum)", JIU/REP/87/6 and document A/42/724 and Corr. 1 of 10 November 1987.

79/ "From the optical disc pilot project at UNOG to an optical disc system for the United Nations", JIU/REP/89/11 and document A/44/684 of 25 October 1989 and Add. 1 of 20 November 1989.

80/ "Questions relating to the proposed programme budget for the biennium 1990-1991", General Assembly resolution 44/201 B of 21 December 1989.

81/ Report of the Joint Inspection Unit, Official records: Forty-sixth session, Supplement No. 34 (A/46/34), 1991, para. 45.

82/ "Implementation of General Assembly resolution 41/213", General Assembly resolution 44/200 C of 21 December 1989.

83/ "Status of technological innovations in the United Nations: Second annual report of the Secretary-General", document A/C.5/47/18 of 9 October 1992.

84/ "Financial reports...", op. cit., General Assembly resolutions 45/235, paras. 10-22; 46/183, paras. 3-20; and 47/211, preamble and paras. 6-23.

85/ "Reporting on the performance and results...", A/43/124, Add. 1, and A/44/233, op. cit.

86/ "Financial reports...", op. cit., General Assembly resolutions 45/235, para. 20, and 47/211, para 12.

87/ "Allotments for 1993", Interoffice memorandum from Controller to Heads of Departments and Offices, 5 February 1993.

88/ "Questions of administrative and management control of the United Nations", ACABQ Sixteenth report, document A/33/7, Add. 15 of 22 November 1978, paras. 2-8, and "Report of the Secretary-General on the work of the organization", document A/41/1 of 1986, page 7.

89/ "Reporting on the performance and results...", A/43/124, op. cit., paras. 99-103, 146-148.

90/ "Extrabudgetary resources of the United Nations...", A/45/797, op. cit., paras. 95-102.

91/ "Report of the seventeenth session of the sub-committee on staff training", Consultative Committee on Administrative Questions (Personnel and General Administrative Questions), ACC/1993/PER/R.15 of 2 June 1993, paras. 8-14.

92/ "Training programme in the Secretariat: Report of the Secretary-General", document A/C.5/47/9 of 8 October 1992, paras. 1-8.

93/ "Personnel questions", resolution 47/226, op. cit., Part I.B., paras. 1, 4 and 5.

94/ "Training programme in the Secretariat", A/C.5/47/9, op.cit., para. 5.

95/ "Management improvement programme: Report of the Secretary-General", document A/C.5/39/83 of 10 December 1984, and
"Status report on the Staff Incentive Programme," 3 March 1992.

96/ "Ideas for change can come from staff, too: Project emphasizes employees", Secretariat News, April 1993, page 15.

97/ "Personnel questions", resolution 47/226, op. cit., part I.B., para. 13.

98/ "Management improvement programme", A/C.5/39/83, op. cit.,

99/ Report of the CPC..., Supplement No. 38, (A/39/38), para. 363,
Report of the CPC..., A/47/16 (Part I), op. cit., para. 183 and
"Reporting on the performance and results...", A/43/124, op. cit., paras. 128, 181-183.

100/ "Reporting to the Economic and Social Council", JIU/REP/84/7 and document A/39/281 of 31 May 1984 and Add. 1, paras. 20-23, 26, 44-48, 57-68.

101/ "Reporting to the Economic and Social Council" Comments of the Secretary-General", document A/39/281, Add. 2 of 6 July 1984, para. 20.

102/ "Reporting on the performance and results...", A/43/124, op. cit., para. 185.

103/ "Establishment of an integrated management information system...", document A/C.5/43/24, op. cit., pp. 18-19.

104/ Report of the Joint Inspection Unit, Official Records: Forty-sixth session, supplement No. 34 (A/46/34), Part II, para. 26.

105/ "Reporting to the Economic and Social Council", document A/39/281, op. cit.

106/ "Reporting to the Economic and Social Council: Further comments of the Secretary-General", A/40/284 of 10 May 1985, paras. 7 and 8.

107/ "Final report of the Secretary-General on the implementation of resolution 41/213" document A/44/222 of 26 April 1989,
"Implementation of General Assembly resolution 41/213", General Assembly resolution 44/200 of 21 December 1989, and
"Analytical report of the Secretary-General...", A/45/226, op. cit.,

108/ Ibid., para. 64.

109/ "Goodbye to Pérez de Cuéllar: A 'most productive decade' at the UN" and "Reform proposals circulate during 46th Assembly: UN faces 'dangerously precarious' financial situation", UN Chronicle, March 1992, pages 6-10.

110/ "Revised estimates as requested by the General Assembly in resolution 47/212: Report of the Secretary-General", document A/C.5/47/88 of 4 March 1993.

111/ "Review of the efficiency of the administrative and financial functioning of the United Nations and programme budget for the biennium 1992-1993", General Assembly resolution 47/212 B of 20 May 1993, section III, para. 3.

112/ Ibid., paras. 7 and 9.

113/ "Regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation", Secretary-General's Bulletin, ST/SGB/PPBME Rules/1(1987), Article III.

114/ "Programme planning", A/45/617, op. cit..

115/ "Possible new approach to programme planning: Report of the Secretary-General", document A/48/277 of 28 July 1993, paras. 8(f), 33, and Annex.

116/ "Budgeting in organizations of the United Nations system: Some comparisons", JIU/REP/89/9, document A/45/130 of February 1990 and Add. 1 of 14 May 1990, Vol. I, para. 16.

117/ "Reporting on the performance and results...", A/43/124, op. cit., para. 106.

118/ Ibid., paras. 86-98, "Executive summary", para. 9.

119/ "Reporting on the performance and results of United Nations programmes: Monitoring, evaluation and management review components: Note by the Secretary-General", document A/43/124/Add. 1 of 27 May 1988, para. 14.

120/ "Report on cost measurement systems in the organizations of the United Nations family and the possibility of developing them into cost-benefit systems integrated into comprehensive management systems", JIU/REP/1974/7 of November 1974,

"Report on programming and evaluation in the United Nations", op. cit.,

"Report on methods of determining staff requirements", JIU/REP/81/1, document A/36/168 of 8 April 1981 and Add. 1 of 21 September 1981, and

"Reporting on the performance and results...", A/43/124, op. cit., paras. 99-106.

121/ "Evaluation of the translation process in the United Nations system", JIU/REP/80/7, document A/35/294 of 10 July 1980 and Add. 1 of 21 November 1980.

122/ "Work-load standards for various categories of conference-servicing staff...: Report by the Secretariat", document A/C.5/45/1 of 3 March 1990.

123/ "Reporting on the performance and results...", A/43/124, op. cit., paras. 112-120, 167-169.

124/ "Implementation of General Assembly resolution 41/213: Progress report and revised estimates for the biennium 1988-1989", General Assembly Resolution 43/213 of 21

December 1988, para. 13(a), and

"Review of the efficiency of the administrative and financial functioning of the United Nations", General Assembly resolution 45/254 of 21 December 1990, para. 13.

125/ "Application of workload analysis techniques at the United Nations: Note by the Secretariat", document A/C.5/46/CRP.1 of 27 September 1991.

126/ "Review of the efficiency and the administrative and financial functioning...", resolution 47/212 B, op.cit., paras. 1 and 2.

127/ "Appraisal and recognition of performance: Note by the Secretariat of the International Civil Service Commission", document ICSC/37/R.15 and "Addendum" Add. 1 of 2 March 1993.

128/ Report of the group of high-level experts...., op. cit., recommendation 50.

129/ "Analytical report of the Secretary-General...", A/45/226, op. cit., para. 188.

130/ -"Appraisal and recognition of performance...", ICSC/37/R.15, op. cit., para. 22.

131/ "Personnel questions", resolution 47/226, op. cit., Part I.B., paras. 3 and 7.

132/ Report of the group of high-level experts..., op. cit., recommendation 42.

133/ "Analytical report...", A/45/226, op.cit., paras. 172-174.

134/ "Report on standards of conduct in the International Civil Service 1954", International Civil Service Advisory Board, COORD/CIVIL SERVICE/5, 1965 Edition.

135/ "Standards of conduct", United Nations Secretariat, ST/IC/82/13 of 26 February 1982.

136/ Personnel questions", resolution 47/226, op. cit., Part I.A., first preambular paragraph.

Chapter V

137/ "Third report on evaluation in the United Nations system: Integration and use", JIU/REP/85/11, documents A/41/202 of 7 March 1986 and A/41/304 of 21 April 1986, paragraph 161 and Recommendation 1.

138/ "Major programme: Administrative services: Programme 40: Administrative direction and management", Medium-term plan for the period 1992-1997, Volume II, Official records: Forty-fifth session, Supplement No. 6(A/45/6/Rev. 1), United Nations.

139/"Section 33: Administration and Management", Proposed programme budget for the biennium 1992-1993, Official records: Forty-sixth session, Supplement No. 6(A/46/6/Rev. 1), pages 1-99.

140/ See, for example, "Review of action taken on the recommendations of the Administrative Management Service: Report of the Secretary-General", document A/C.5/31/6 of 15 July 1976.

"Question of administrative and management control of the United Nations: Report of the Secretary-General", document A/C.5/33/19 of 3 November 1978,

"Question of administrative and management control of the United Nations: Sixteenth report of the...ACABQ", document A/33/7/Add. 15 of 22 November 1978, and

"Annual report on management improvement projects and other advisory services rendered by the Administrative Management Service (Report of the Secretary-General)", ACABQ, document A/CN.1/R.934, Limited Distr. of 29 September 1980.

141/ Light, Monitoring government, op. cit., Chapter 10, "Monitoring the impact of IGs", pages 203-223.

142/ "Question of administrative and management control...", reports A/C.5/33/19 and A/33/7/Add.15 of November 1978, op. cit.

143/ "Programme evaluation in the United Nations...", document A/47/116, op. cit., paras. 13-33 and Table III.

144/ "Conduct of staff members", Information Circular, Assistant Secretary-General for Personnel Resources to Members of the Staff, ST/IC/89/2 of 5 January 1989, (Section XII, paragraph H. of the Administrative Handbook).

Chapter VI

145/ "Secretary-General, introducing $2.36 billion proposed budget for 1992-1993, stresses serious financial crisis of Organization", Press release GA/AB/49 of 10 October 1991.

146/"Secretary-General's statement to the Fifth Committee", Information Circular ST/IC/1992/73 of 12 November 1992.

147/ Financing an effective United Nations: A report of the Independent Advisory Group on U.N. Financing, Ford Foundation, New York, 1993.

148/ "Statement by the First Vice-President of the Co-ordinating Committee for Independent Staff Unions and Associations (CCISUA) to the Administrative Committee on Co-ordination (ACC) at its meeting in Rome on 20 April 1993...", CCISUA/1993/30 of 30 April 1993.

149/ "United Nations system co-operation with multilateral financial institutions", Part I, "Performance and innovation challenges", Part II, "Examples of fresh approaches", JIU/REP/92/1 and United Nations documents E/1993/18 and Adds. 1 and 2 of 23 February and 8 April 1993, and
Report of the CPC..., A/48/16 (Part I), op. cit., paras. 48-57.

Chapter VII

150/ As already noted in Chapter III.E., INTOSAI is a worldwide organization composed of the highest public auditing body in a country. INTOSAI seeks to promote the exchange of ideas and experience between supreme audit institutions in the field of government auditing, and has more than 150 member countries. It is composed of a Congress which meets triennially, a Governing Board, a General Secretariat located in Vienna, six Regional Working Groups which promote co-operation and deal with government auditing issues at the regional level, and Permanent Commissions which exist to draft standards and

consider other specific matters. INTOSAI also has awards programmes and regional training activities, and publishes a quarterly journal, circulars, professional documents and standards, training directories, and glossaries.

Since inception (it began with a conference of 34 countries in Havana in 1953) INTOSAI has sought close contact with the United Nations. It holds consultative status with ECOSOC, and conducts interregional seminars on government auditing under United Nations auspices. In addition, the special United Nations /INTOSAI relationship is reflected in the conditions for participation in INTOSAI: the countries involved must be members of the United Nations or one of its specialized agencies.